

SOUTH EASTERN WATER  
ASSOCIATION

P.S.C. Ky. No. ....

Cancels P.S.C. Ky. No. ....

South Eastern Water Association

OF

Nelson Valley, Elihu-Rush Branch, Tateville and Barnesburg

Rates, Rules and Regulations for Furnishing

Water Service

AT

Nelson Valley, North hwy 39 from East 80 By Pass to 1 mile into Lincoln  
County, Elihu-Rush Branch Eastern portion of Pulaski Co., Tateville, Dixie  
Bend, Sloans Valley, Southern Portion of Pulaski Co., Barnesburg,  
Eastern Pulaski County.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

APR 24 1998

Filed with PUBLIC SERVICE COMMISSION OF  
KENTUCKY PURSUANT TO 807 KAR 50.11,  
SECTION 9(1)

BY: Stephan D. Bue  
SECRETARY OF THE COMMISSION

ISSUED....., 19.....

EFFECTIVE....., 19.....

ISSUED BY South Eastern Water Assn.  
(Name of Utility)

BY Joseph G. Richards  
President

Form for filing Rate Schedules

For South Eastern, Pulaski Co  
Community, Town or City

P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

South Eastern Water Association  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

CLASSIFICATION OF SERVICE

RATE  
PER UNIT

WATER TAP ON FEES

5/8" x 3/4" METERS  
ALL OTHER METERS

\$515.00  
ACTUAL COST

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

APR 24 1998

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

BY: Stephan D. Bue  
SECRETARY OF THE COMMISSION

DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY \_\_\_\_\_

TITLE President

Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky  
in Case No. \_\_\_\_\_ dated \_\_\_\_\_

Form for filing Rate Schedules

For South Eastern, Pulaski Co  
Community, Town or City

P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

South Eastern Water Association  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

CLASSIFICATION OF SERVICE

	RATE PER UNIT
<p>ALL BILLS ARE SENT OUT ON THE LAST WORKING DAY OF EACH MONTH. ALL BILLS ARE DUE ON THE 10th OF EACH MONTH. PENTALY OF 10percent IS ADDED TO THE UNPAID BALANCE ON THE 12th OF EACH MONTH. DELINQUENT NOTICES ARE SENT OUT ON THE 12th DAY OF THE MONTH. DISCONTINUANCE OF SERVICE SHALL BE EFFECTED NOT LESS THAN twenty (20) DAYS AFTER THE MAILING DATE OF THE ORGIN-AL BILL.</p>	
<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE</p> <p>OCT 02 1997</p> <p>PURSUANT TO 807 KAR 5.011, SECTION 9(1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION</p>	

DATE OF ISSUE \_\_\_\_\_

ISSUED BY \_\_\_\_\_

Joe Richards, I  
Name of Officer

DATE EFFECTIVE \_\_\_\_\_

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky  
in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

Form for filing Rate Schedules

For SOUTH EASTERN, PULASKI CO.  
Community, Town or City

P.S.C. NO. 1

SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

SOUTH EASTERN WATER ASSOCIATION  
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

		RATE PER UNIT
RECONNECT FEE		\$30.00
RETURN CHECK FEE		\$20.00
METER TEST		\$35.00
(ONLY IF METER TEST IS GOOD, IF METER IS FOUND TO BE INADEQUATE, THERE WILL BE NO CHARGE TO THE CUSTOMER)		
		PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE  OCT 02 1997  PURSUANT TO 807 KAR 5.011, SECTION 9 (1) BY: <u>Stephan D. Bell</u> SECRETARY OF THE COMMISSION

DATE OF ISSUE \_\_\_\_\_  
ISSUED BY Al Richards, Jr.  
Name of Officer

DATE EFFECTIVE \_\_\_\_\_  
TITLE Pres

Issued by authority of an Order of the Public Service Commission of Kentucky  
in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

Form for filing Rate Schedules

For South Eastern, Pulaski Co  
Community, Town or City

P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

South Eastern Water Association  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

CLASSIFICATION OF SERVICE

A SEPARATE METER MUST BE INSTALLED FOR EACH RESIDENCE.

RATE  
PER UNIT

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

OCT 02 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY John Richards, I  
Name of Officer

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky  
in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

# SOUTHEASTERN WATER ASSN.

OFFICE USE ONLY

DATE EFFECTIVE: \_\_\_\_\_  
 DATE IN OFFICE: \_\_\_\_\_  
 NAME: \_\_\_\_\_  
 BILLING: \_\_\_\_\_  
 ADDRESS: \_\_\_\_\_  
 PHONE #: (\_\_\_\_\_) \_\_\_\_\_  
 SOCIAL SECURITY #: \_\_\_\_\_

ACCOUNT # \_\_\_\_\_ BAL. FWD. \_\_\_\_\_  
 BILLED DATE \_\_\_\_\_ CLOSED DATE \_\_\_\_\_  
 SERVICE CHG \$ \_\_\_\_\_ METER SET \$ \_\_\_\_\_  
 SERIAL #: \_\_\_\_\_  
 ROUTE #: \_\_\_\_\_ LOC. CODE: \_\_\_\_\_  
 TAX CODE: \_\_\_\_\_ METER SIZE \_\_\_\_\_  
 METER READING \_\_\_\_\_

	ACTION TAKEN	INITIALS & DATE
METER SETTING	( )	_____
TURN ON	( )	_____
TURN OFF	( )	_____
NAME CHANGE	( )	_____
HOUSE MOBILE HM		OTHER RENT ( )
( ) ( )		( ) OWN ( )

MAIL FINAL BILL TO: \_\_\_\_\_  
 \_\_\_\_\_  
 PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 EFFECTIVE

LOCATION OF METER: \_\_\_\_\_

CHANGE TO: \_\_\_\_\_  
 OCT 02 1997  
 PURSUANT TO 807 KAR 5.011,  
 SECTION 9(1)  
 BY: Stephan D. Bell  
 SECRETARY OF THE COMMISSION

PREVIOUS UTILITIES NAME AND PHONE NO. \_\_\_\_\_

## CONTRACT FOR WATER SERVICES

This contract witnesseth that for and in consideration of the effort of the above named water system, to secure financing for construction of this system and continued maintenance of system, the above applicant petitions to connect to the water system.

\*If a membership fee is charged, this application shall serve as a Certificate of Membership. If a deposit is charged, this application shall serve as a Certificate of Deposit.

The applicant hereby agrees to connect to the System. If it is a new connection, it is understood and agreed that at such a time as the connection is constructed, the applicant agrees to connect to the System immediately. If for any reason the connection is not made immediately, the applicant understands that a minimum charge will still be due and payable to the System for the connection. Failure to pay such charges and/or connect with the system will void this contract. Should the applicant desire to connect with the System in the future, all fees and connection charges will be due again IN FULL, and any and all amounts previously billed.

The applicant agrees to install and maintain a service line that will meet with the System's suggested guidelines. The applicant also agrees that no other residence will be connected to their service line. A separate meter must be installed for each residence. The applicant also agrees not to resell or give away water purchased from this System.

A separate contract may be required for trailer parks/commercial.

The applicants rights hereunder are subject to such further rules and regulations as the System may prescribe. The System may terminate service to any customer who is in violation of any Rule or Regulation of the System.

The System may terminate service to any customer who is past due with their bill unless an agreement for partial payment is reached with the appropriate representative at the billing office. Deposits to insure payment of monthly water bills and penalties on delinquent water accounts shall be as the System may prescribe.

The applicant agrees to permit the System to lay, maintain, repair, remove and disconnect a service line and meter, and read meters at a point on customer's property, and to be designated by the System for each connection with right of ingress and egress for these purposes over customer's property, and to grant an easement for installation of water lines when required.

Non-payment by the due date may subject the account to be assessed a penalty. Non-payment by the disconnect date will result in the service being shut off. If service is discontinued because of non-payment, the entire amount due for the account plus all pertinent Service Charges, minimum bills, penalties, etc., must be paid before service will be restored.

Fwd. Address: \_\_\_\_\_

Signature \_\_\_\_\_  
 Social Security # \_\_\_\_\_  
 Spouses' Signature \_\_\_\_\_  
 Spouses' Soc. Sec. # \_\_\_\_\_

Witness: \_\_\_\_\_

For entire service area  
Community, Town or City \_\_\_\_\_  
P.S.C. KY. NO. \_\_\_\_\_  
Second Revised \_\_\_\_\_ SHEET NO. 1

Southeastern Water Association, Inc.  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
First Revised \_\_\_\_\_ SHEET NO. 1

CLASSIFICATION OF SERVICE

			RATE PER UNIT
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First	2,000	gallons	\$ 14.70 Minimum Bill
All over	2,000	gallons	\$ 6.25 per 1,000 gallons

DATE OF ISSUE September 8, 2004 DATE EFFECTIVE September 8, 2004

ISSUED BY Joe Richards, I TITLE: President  
(Signature of Officer)

Issued by authority of an Order of the public Service Commission of Kentucky in  
Case No. 2004-00312 dated 09/08/04.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
9/8/2004  
PURSUANT TO 2007 KAR 5:011  
SECTION 9 (1)  
By [Signature]  
Executive Director



Form for filing Rate Schedules

For South Eastern, Pulaski Co  
Community, Town or City

P.S.C. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. 1

South Eastern Water Association  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. 1

CLASSIFICATION OF SERVICE

RATE  
PER UNIT

## SOUTH EASTERN WATER ASSOCIATION

### WATER LEAK ADJUSTMENT POLICY

In the event of a Water Leak, which the system deems is beyond the reasonable control of the customer, there may be adjusted as follows:

A. Water Leak will be adjusted using the following formula:

1. The average usage of the customer for the previous twelve months shall be determined plus 10,000 gallons over the average. Then the excess of the current period shall be charged at the current wholesale rate, with the Difference credited to the customers account.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

2. If a twelve month average is not available for the customer, the average usage will be determined by the average usage of all customers in the same class and then calculated

DEC 06 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Stephan Bue  
SECRETARY OF THE COMMISSION

DATE OF ISSUE \_\_\_\_\_

ISSUED BY \_\_\_\_\_

Joe Richards, I  
Name of Officer

DATE EFFECTIVE \_\_\_\_\_

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky  
in Case No. \_\_\_\_\_ dated \_\_\_\_\_

Form for filing Rate Schedules

For South Eastern, Pulaski Co  
Community, Town or City

P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

South Eastern Water Association  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_

SHEET NO. 1

CLASSIFICATION OF SERVICE

RATE  
PER UNIT

B. Such an adjustment will only be made (1) time in a given twelve month period. If more than one break occurs within the same period any additional adjustment must be approved by the governing body of the water system.

C. In order to qualify for a water leak adjustment the consumer must meet one or all the following.

1. If repair work is performed for hire, a copy of the billing invoice must be submitted at the billing office.

2. If the repair is performed by the homeowner, a copy of receipts for purchased parts should be submitted at the billing office.

3. Verification by system authorized field representative that he has met with the consumer and can verify a leak.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DEC 06 1997

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: Stephan O. Bell  
SECRETARY OF THE COMMISSION

DATE OF ISSUE \_\_\_\_\_

ISSUED BY \_\_\_\_\_

Name of Officer

DATE EFFECTIVE \_\_\_\_\_

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_

FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. \_\_\_\_\_ 1 \_\_\_\_\_  
ORIGINAL SHEET NO. \_\_\_\_\_ 1 \_\_\_\_\_

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

## RULES AND REGULATIONS

### 1. SERVICE CLASSIFICATION:

There shall be no distinction of this category as all customers will be served in a like manner.

### 2. DEFINITIONS APPLICABLE TO RULES AND REGULATIONS:

(a.) "Customer" shall mean any person, firm, corporation or municipality supplied with water service by Water Association pursuant to these Rules and Regulations.

(b.) "Bona fide prospective customer" shall mean any owner or lessee who is to be the occupant of an existing developed premises having a frontage abutting on that part of a street or public highway in which there is, or is to be, located a distribution main of the Association, who shall file a signed application for a new street service connection and for water service to such premises to be occupied.

(c.) "Association" shall mean the Association acting through its officers, manager, or other duly authorized employees or agents.

(d.) "Service pipe" as referred to in these Rules and Regulations consists of the following:

(1.) The curb cock and curb box, or coppersetter when installed in a meter box.

(2.) The pipe between the Association main and the curb cock or coppersetter.

(e.) "Customer's service pipe" is that portion of the service line between the meter box at or near the curb line, and the structures or premises to be supplied.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JAN 29 1996

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
MONTH DATE YEAR MONTH DATE YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER TITLE ADDRESS

FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 2

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

### RULES AND REGULATIONS

- (f.) "Premises" as contemplated in these Rules mean, and include:
- (1.) a building under one roof and occupied as one business or residence; or
  - (2.) a combination of building owned or leased by one party in one common enclosure or on a single tract of land not crossed by public streets, roads, or ways, and occupied by one family or business; or
  - (3.) each residential or business single occupancy unit, served through one street service connection in a building which is not a premises other wise defined in these Rules.
  - (4.) a farmstead. consisting of one dwelling and other buildings associated with agricultural production such as barns, shed, or livestock facilities.
  - (5.) trailer park-with 3 or more trailers
  - (6.) apartment complex-with 3 or more units

### 3. RULES AND REGULATIONS GOVERNING RENDERING OF SERVICE

- (a.) The Rules and Regulations in their entirety as hereinafter set forth or as they may hereafter be altered or amended in a regular and legal manner shall govern the rendering of water service and every customer upon signing of an application for water service or upon the taking of water service will be bound thereby.
- (b.) All service will be rendered on a metered basis. Residential, commercial, industrial and municipal service is only regularly available for a single premises as "premises" is defined in these Rules.

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_ PUBLIC SERVICE COMMISSION  
MONTH DATE YEAR MONTH DATE YEAR OF KENTUCKY  
EFFECTIVE

ISSUED BY \_\_\_\_\_ JAN 29 1996  
SIGNATURE OF OFFICER TITLE ADDRESS

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTHEASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 3

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

#### RULES AND REGULATIONS

#### 4. SERVICE APPLICATION:

(a.) Any bona fide occupant of a single family dwelling or place or business; or to each residential unit in a trailer park, duplex, multiple dwelling building, or to each store front in a shopping center; or to a person, business, or corporation that has need of water service may be a member of the supplied by the Association.

(b.) Any change in the identity of the contracting customer will require a new application. The contracting customer will be liable for all water supplied to the premises until he/she has given at least three (3) working days notice to the company to discontinue service.

(c.) Existing Street Service Connection

When any person, firm, or corporation, not heretofore taking water service from the Association, applies for water service, the application shall be in writing on forms supplied by the Association. When such application is accepted by the Association, it shall constitute a contract between the applicant and the Association for service at the premises named in the application.

(d.) A customer who has made application for water service to a premise shall be held liable for all water service furnished to such premises until such time as the Customer properly notifies the Association to discontinue the service for his account. Any customer desiring service to be terminated shall give the Association (3) three working days notice, in person, in writing, or by telephone.

(e.) The Customer shall pay at the time of application any service charges that

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_ PUBLIC SERVICE COMMISSION  
MONTH DATE YEAR MONTH DATE YEAR OF KENTUCKY  
EFFECTIVE

ISSUED BY \_\_\_\_\_ JAN 29 1996  
SIGNATURE OF OFFICER TITLE ADDRESS

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTHEASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 4

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

### RULES AND REGULATIONS

are required. Service turned on at the request of the customer after regular hours, or on Saturdays, and Sundays or holidays will be charged a service charge of \$ 25.00. After hours service turn-ons will be subject to the availability of service personnel.

#### New Members

- (a.) A new member is any person signing a contract with the water association for the purchase of water from the association. If there is an existing water meter on the property the customer will be required to pay a service charge of thirty-five (\$35.00) dollars, if there is no existing water meter the customer will be required to pay the approved tap-on-fee as set forth in tariffs.
- (1) Thirty-five (35.00) dollars being a service charge for turning the water service on the property, and will not be refunded., ten (10) dollars being a membership fee. A turn-on charge shall not be made for initial installation of a service where a tap-on fee has been paid in accordance with 807 KAR 5:006, Section 8 (3) (a).

#### 5. EXTENSION OF DISTRIBUTION MAINS:

- (a.) For this section the following definitions shall apply:
- (1.) The term "cost of extension" as used herein shall mean all cost involved in extending a water main to include the actual laying of pipe and appropriate fixtures (excluding meters), administrative cost, legal fees, engineering fees, any fees required by state or federal agencies, any cost or right-of-way acquisition, and right-of-way restoration cost as well as any fees required by the utility as approved by the Kentucky Public Service

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_ PUBLIC SERVICE COMMISSION  
MONTH DATE YEAR MONTH DATE YEAR OF KENTUCKY

ISSUED BY \_\_\_\_\_ SIGNATURE OF OFFICER TITLE ADDRESS JAN 29 1996

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)  
BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 5

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

### RULES AND REGULATIONS

Commission or assessed by other regulatory authorities. the cost of extension includes the cost for both on-site facilities and off-site facilities as defined below in this section.

- (2.) The term "new Subdivision" as used herein shall mean any new subdivision or residential and/or commercial lots for which a plat has been filed in the county clerk's office, and the subdivider has or will construct roads or streets as public roadways to said lots.
- (3.) The term "lot" as used herein shall mean any plot of ground laid out for building purposes.
- (4.) The term "on-site facilities" as used herein shall include only those water mains with related fixtures and other facilities, if any, to be installed and located wholly within the boundaries of the property to which service is to be extended.
- (5.) The term "off-site facilities" as used herein shall include all water mains with related fixtures and other facilities, if any, to be installed and located outside of the boundaries are depicted on plat from existing mains of the Association to the new subdivision or prospective Customer..
- (6.) The term "current estimated cost" as used herein shall mean a cost figure as determined by the Association's engineering firm to establish a water main extension s defined #1 above.

**B. General Water service other than new subdivisions:**

- (1.) **Free Extensions:** the Association will upon written request for service by a prospective Customer or a group of prospective Customer located in the

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DATE OF ISSUE _____	DATE EFFECTIVE _____	PUBLIC SERVICE COMMISSION
MONTH DATE YEAR	MONTH DATE YEAR	OF KENTUCKY
		EFFECTIVE

ISSUED BY \_\_\_\_\_

SIGNATURE OF OFFICER	TITLE	ADDRESS	JAN 29 1996
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PURSUANT TO 807 KAR 5.011.  
SECTION 9 (1)

BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 6

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

### RULES AND REGULATIONS

same neighborhood will make free of charge an extension of fifty (50) feet of distribution main per prospective Customer.

- (2.) Extensions above the free limit: if the cost of an extension requested in order to furnish general water service to a prospective Customer or group of prospective Customers is greater than the free extension specified "in 807 KAR 5: 066, Section 11", herein, such as extension will be made under the following conditions: The Association shall determine the total cost of the proposed water main extension (exclusive of the meter connections) and the total length of the extension. The Association shall pay that portion of the cost of the water main extension equal to fifty (50) feet for each applicant for service. The part of the cost not covered by the Association's portion shall be contributed equally by those applicants desiring service on the main extension.

Each applicant will also be required to pay the Association's approved "tap-on-Fee" for a meter connection to the main extension.

For a period of five years after the original construction of the main each additional customer directly connected to each particular extension will be required to contribute to the cost of that water main extension based on a recomputation of both the Association's portion of the total cost and each customer's contribution as set out above.

The association must refund to those customers that have previously contributed to the cost of each main extension itself that amount necessary to reduce their contribution to the currently calculated amount of each customer connected to that extension. In addition each customer must pay the approved "tap-on-fee" applicable at the time of their application for the meter connection. The "tap-on-fee" is not part of the refundable cost of the extension and may be changed during the refund period. After the five year refund period expires, any additional

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_ PUBLIC SERVICE COMMISSION  
MONTH DATE YEAR MONTH DATE YEAR EFFECTIVE OF KENTUCKY

ISSUED BY \_\_\_\_\_ SIGNATURE OF OFFICER \_\_\_\_\_ TITLE \_\_\_\_\_ ADDRESS \_\_\_\_\_ JAN 09 1996

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)  
BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION



FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 7

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

### RULES AND REGULATIONS

customer applying for service on each main extension must be connected for the amount of the approved "tap-on-fee" only. Also, after a five year refund period expires, the Association will be required to make refunds for an additional five year period in accordance with KAR 5: 066 Section 11 (b). In no case shall the total amount refunded exceed the amount paid the Association. After the end of the refund period no refund will be required to be made.

- (3.) No interest will be paid by the association on the Customer's payment made in accordance with paragraph 2 of this section.
- (4.) Extensions made under this rule shall be and remain the property of the Association.
- (5.) The Association reserves the right to further extend its water main from and beyond the terminus of each water main extension made under this rule. The Customer paying for an extension shall not be entitled to any refund for the attaching of Customers to any further extension or branch mains so installed.
- (6.) In determine the length of a main extension to a lot or lots, the Association shall require that the extension be constructed to a point on the lot or lots so that service may be provided as requested an so that a gate valve may be established in an appropriate place and operated as a flush valve. If the extension is to be built on general unplatted road frontage or farm land, the extension construction shall be required only to an appropriate location near the last point of service. If the Association should determine that the extension shall not have to extend over the entire frontage of the property or lot, it shall require that the Customer grant a right-of-way over the entire frontage.

DATE OF ISSUE \_\_\_\_\_  
MONTH DATE YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH DATE YEAR

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE

ADDRESS JAN 29 1996

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: Jordan C. Hesh  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 8

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

### RULES AND REGULATIONS

- (7.) Actual construction cost for the extension will be calculated on a "line-item" basis. Other costs associated with the extension will be calculated on an "incurred" basis. When the construction project is finished the prospective Customer (s) will be required to pay any cost above their initial payment for the cost of the extension or be refunded any balance not used for the extension.
- (A.) A work sheet for calculation of customer (s) contribution for water main extension and a contract for water main extension will be filled out and signed by all parties with each receiving a copy.

C. Main extensions for new subdivisions:

- (1.) When an extension of the Associations water mains is requested into a subdivision, the owner of that subdivision shall submit six (6) copies of the plat as filed in the county clerk's office to the Association with a written request that water service is requested on the property. The proposed extension shall be handled in the following manner:
- I. The subdivision owner shall submit the plats as required above, along with adequate monies to pay for administrative cost, the preliminary engineering work, and a preliminary cost estimate for the construction of the water mains and associated facilities, if any to include on-site facilities, off-site facilities, if any, engineering cost, legal costs, and administrative cost. When the estimate is complete and presented to the prospective developer, he or she may then decide to proceed or not proceed with the construction.
- II. If the subdivider decides to proceed with the water main extension

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PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)  
BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 9

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

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after reviewing the preliminary costs, the Association will have final plans and specifications prepared. A current estimated cost figure will be rendered to the subdivider showing the cost of on-site facilities and off site facilities, if any.

- III. Before construction, the subdivider will pay the Association the current estimated cost. The Association will solicit bids from responsible contractors and select the bid that is found most appropriate. The Association shall reserve the exclusive right to select the contractor. If bid is received at or above further bids may be solicited or the subdivider may pay the Association monies adequate to pay the difference of the low and acceptable bid and the current estimated cost.
- IV. Actual construction cost for the extension will be calculated on a "line-item" basis. Other costs associated with the extension will be calculated on an "as incurred" basis. When the construction project is finished, the subdivider will be required to pay any cost above their initial payment for the extension or be refunded any balance not used for the extension.
- V. Actual construction will be observed and supervised by a resident inspector as required.
- VI. Before waterlines will be laid hereunder in any new subdivision, it is understood and agreed that the road surface shall be brought to the established sub-grade; and the developer or builder of such new subdivision shall furnish the Association with a right-of-way agreement suitable in form to the Association, unless the streets of the new subdivision have been dedicated to the public use or

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JAN 29 1996

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)  
BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTHEASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 10

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
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### RULES AND REGULATIONS

suitable utility easements provided by plat.

- VII. Association shall have the exclusive right to determine the type, location, and size of mains to be installed and of the related facilities required to render adequate service.
- VIII. For a period of ten (10) years each premise served for which a street service connection shall be directly attached to such main extension between its original beginning and original terminus, excluding connections to further extensions or branches thereof, and crediting no more than one such service connection building plot, Association shall refund to the owner of such subdivision on an annual basis an amount equal to fifty (50) feet of the average cost, for each customer connected during current year. But in no case shall the total refund exceed the amount paid the association. After the end of the refund period ten (10) years, no refunds will be required to be made. However if off-site cost consist of piping and fixtures parallel to an existing distribution main and therefore paid as prescribed above only if new services are connected to the parallel pipe.
- IX. The owner of such subdivision, shall warrant to Association that the location and grade of streets, curbs, sidewalks, building plots, building lines and utility easements as depicted on said preliminary plat will not be altered or changed in any respect in the final plat if said subdivision or part thereof and recorded in the office of the Clerk of the Pulaski County Court.

In the event the location or grade of streets, sidewalks, curbs, building plots, building lines or utility easement is altered,

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PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: Quaden C. Nash  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTHEASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 11

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
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### RULES AND REGULATIONS

amended or changed in a final plat or in an amended plat of said subdivision, whether such changes are made with or without the consent of said subdivider, and in the event such alteration, amendment change requires, in the sole judgement of the Association, the relocation, removal, replacement, reconstruction, change in site or additions to the mains and related facilities, the subdivider shall indemnify and hold harmless Association of and from any and all damages and cost of such removal, replacement, relocation, reconstruction and any and all other expenses or costs resulting to Association because of change of location or grade street, curbs, sidewalks, lots, building lines or utility easement in said subdivision or part thereof.

- X. A work sheet for calculation of developers contribution for water main extension and a contract for water main extension will be filled out and signed by both parties with each receiving a copy.

6. APPLICATION FOR PRIVATE FIRE SERVICE:

Private fire hydrant service will not be provided by the Association.

7. DISCONTINUANCE OF WATER SERVICE:

The Association will not discontinue the service of any Customer for violation of any rule or regulation of the Association or for non-payment of bills, except on written notice of at least five (5) days mailed to such Customer at his address as shown upon the Association records delivered to him or a member of his household, advising the Customer in what particular manner such rule has been violated, for which service will be discontinued if the violation is permitted to continue; provided, however, discontinuance of service shall be effected not less than twenty-five (25) days after the mailing date of the original bill unless,

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PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)  
BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTHEASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
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South Eastern Water Association

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prior to discontinuance, a residential customer presents to the Association a written certificate, signed by a physician, registered nurse or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the effected premises, in which case discontinuance may not be effected until the effected resident can make other living arrangements or until not less than thirty (30) days elapse from the date of the Associations notification; provided, further, that where unauthorized use of water is detected or where the Association's regulating or measuring equipment has been tampered with, or where a dangerous condition is found to exist on the Customer's premises, service may be shut off without notice in advance.

Subject to the foregoing provision, service rendered under any application, contract or agreement may be discontinued or membership fees forfeited to the corporation by the Association for the following reasons:

- (1.) For willful or indifferent waste of water due to any cause which adversely effects water service to other Customer or the Associations utility operation.
- (2.) Misrepresentation in application as to the property or fixtures to be supplied or use to be made of water.
- (3.) Resale or giving away water.
- (4.) For failure to protect from injury or damage the meter and connections, or for failure to protect and maintain the service pipe or fixtures on the property of the Customer, in a condition satisfactory to the Association.
- (5.) For damage to tampering by the Customer, or others with the knowledge of the Customer, with any meter, connections, service pipe, curb cock, seal, lock, or any other appliance of the Association controlling or

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PURSUANT TO 807 KAR 5011,  
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BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
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### RULES AND REGULATIONS

regulating the Customer's water supply.

- (6.) For failure to provide the Association employees free and reasonable access to the premises supplied, or for obstructing the way of ingress to the meter or other appliance of the Association controlling or regulating the Customer's water supply (with at least fifteen (15) days advance written notice.)
- (7.) For non-payment of any account for water supplied, for water service, or for meter or service maintenance, or for any other fee or charge accruing under these Rates, Rules and Regulations.
- (8.) In case of vacancy of the premises (such as rental property) and where the owner has not requested continuance of service in his name.
- (9.) For violation of any other rule or regulation of the Association or state and municipal rules and regulations applying to the Association's water service.
- (10.) Discontinuing the supply of water to a premises for any reason shall not prevent the Association from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the Customer.

#### 8. RENEWAL OF WATER SERVICE AFTER DISCONTINUANCE:

- (a.) When water service to a premises has been terminated for any reason, it will be renewed only after the conditions, circumstances or practices which cause the water to be discontinued are corrected to the satisfaction of the Association and upon payment of all charges due and payable by the Customer in accordance with the Rates, Rules, and Regulations.

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FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
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- (b.) No Customer whose service has been turned off shall turn on same, or have same done by anyone other than the Association.
- (c.) When it has been necessary to discontinue water service to any premises because of a violation of the Rules and Regulations or on account of non-payment of any bill, a fee of \$30.00 (thirty) dollars will be charged to cover the expense of turning on the water as set forth in the Associations schedules of rates and charges. This charge, together with any arrears that any service deposit required by the Association, must be paid before the water will again be turned on.
- (d.) The water association may require a minimum cash deposit of two (2) months, when a customers water service has been turned off for non payment of bill. The customer will have to pay a thirty (\$30.00) dollar reconnect charge in addition to the minimum cash deposit, to have water services turned back on.
- (1.) Services may be refused or discontinued for failure to pay the request deposit.
- (2.) The required deposit and any interest earned in accordance with statute KRS 278.460 and 807 KAR 5:006, Section 7 (6) govern the rate of interest to be paid by water association, will be returned one (1) year, if the customer has established a satisfactory payment record for that period.
- (3.) The service charge will not be returned.
- (4.) Upon termination of service before the one (1) year period, the deposit and any interest earned will be credited to the final bill with any remainder refunded to the customer.

#### 9. INSTALLATION OF SERVICE LINES:

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- (a.) Where its mains are now or may hereafter be laid, the Association will, at its expense, install the service pipe and appurtenances between the water main along the roadway up to and including the stop cock and curb cock, or the coppersetter when installed in the meter box at or near the property line, provided that the service pipe is required for the immediate and continuous supply of water for general water service to premises abutting the public highway upon which such mains are located; and all such service pipes and appurtenances shall be installed only by the Association.
- (b.) The Association will maintain such service pipes and appurtenances laid by it, but will not maintain any service pipes which are Customer-owned.
- (c.) The Association will make all connections to its mains and will specify the size, kind and quality of all materials.
- (d.) The corporation stop, curb cock, curb box, meter box, and the street service pipe from the street main to the curb cock will be furnished, installed and maintained by the Association and shall remain under its sole control and jurisdiction.
- (e.) The curb cock or meter box will be set on a level with the grade of the property as found and shall be kept accessible at all times.
- (f.) The Association reserves the right to determine the size of each connection to its mains, and the service installed there from.
- (g.) The Association will specify the size, kind and quality of the materials comprising the Customer's service pipe from the point of service to the place of consumption, but shall be furnished, installed and maintained by the Customer at his own expense and risk.

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JAN 29 1996

PURSUANT TO 807 KAR 5011,  
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FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTHEASTERN PULASKI COUNTY  
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#### RULES AND REGULATIONS

- (h.) The Customer's service pipe, all connections and appurtenances attached thereof shall be subject to the inspection of the Division of Plumbing or the Association before the water will be turned on, and all premises receiving a supply of water and all service pipe, valves, connections, including any and all connections within the said premises, shall at all reasonable hours be subject to inspection by any duly authorized employees of the Association.
- (i.) The service pipe shall be laid below the frost line (twenty-four (24) inches below ground level) at all points and shall be laced in firm and continuous earth so as to give unyielding and permanent support, shall not be laid in driveways, nor pass through premises other than that to be supplied, shall be installed in a trench at least two (2) feet in a horizontal direction from any other trench wherein are laid gas pipe, sewer pipe, or other facilities, public or private.
- (k.) Where a street service connection is already laid to the curb line, the Customer shall connect with the service connection as laid.
- (l.) When a Customer's service pipe is relocated at the Customer's request, the Customer shall be responsible for the cost of such relocation.
- (m.) No attachment to the service pipe or any branch therein shall be made between the meter and the street main.
- (n.) Each premise shall be supplied through an independent service pipe from a separate curb cock or meter box.
- (o.) The Association shall in no event be liable for any damage done or inconvenience caused by reason of any break, leak, or defect in, or by water escaping from service pipes or fixtures owned by the customer or property owner.

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FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
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## RULES AND REGULATIONS

### 10. CROSS CONNECTIONS:

- (a.) Interconnections, as defined below, and any and all physical connections between the public water supply and any industrial, commercial or other water supply shall be discontinued regardless of whether or not such cross connections and interconnections are controlled by automatic devices, such as check-valves or stop cocks; and no physical connection shall be made or established except between public water supplies which are adequately treated and are under adequate laboratory control.
- (1.) Interconnection-An interconnection is a plumbing arrangement, other than a cross connection, by which contamination might be admitted or drawn into the distribution system of the Association, or into lines connected therewith, which are used for the conveyance of potable water.
- (b.) If a public water supply is used as a secondary supply delivered either to an elevated tank or suction tank supplied with water from a source or system with which physical connections are not permitted by this regulation, such tank or tanks shall be open to atmospheric pressure, and the water from the public water supply system shall be discharged into the tank at the elevation above the overflow level of the tank or tanks, and the tank overflow shall be of adequate size to fix definitely the maximum overflow level.
- (c.) The making, causing or permitting of the installation or existence of an interconnection or cross connection in violation of these rules shall constitute a violation of the Rules and Regulations of the Association, and such prohibited connection shall be removed forthwith in a manner acceptable to the Association and to the State Commissioner of Health and plumbing inspectors. Failure to do so within two days from and after date of notification by the Association may

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BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
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### RULES AND REGULATIONS

result in discontinuance of water service.

#### 11. METERS:

- (a.) Water will be sold by meter measurement only.
- (b.) All meters, will be installed, maintained and renewed by and at the expense of the Association. In case of damage to such meters by reason of any act, neglect or omission on the part of the Customer (such as damages occasioned by fire, hot water, accident or misuse) the Customer shall pay to the Association the cost of its repair on presentation of bill unless otherwise as may be determined by a court of law.
- (c.) The Association reserves the right to determine the kind and size of meter that shall be placed on any service pipe, and such meters will be furnished, installed and removed by the Association alone, and shall remain its property.
- (d.) All meters are accurately tested before installation and are also periodically tested in accordance with the Public Service Commission's regulations. The Association may at any time remove any meter for periodic tests or for repairs or replacement and may, at its option and expense, test any meter when the Association has reason to believe that it is registering inaccurately.
- (e.) The Association shall make a test of the accuracy of any meter upon written request of the customer. The customer shall be given the opportunity to be present at the meter test. The customer shall be billed the actual cost of making the test where the test indicated that the meter was not more than two percent (2) fast.
- (f.) If a customer is not satisfied with the results of a meter complaint test done by the

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SECTION 9(1)  
BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
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Association, the customer may request by written application to the Public Service Commission that a representative of the Commission perform additinal test of the meter. Such request shall not be made more often than once each twelve (12) months.

- (g.) The Association reserves the right to put seals on any water meter or on its couplings in and for any premises, and may shut off the supply if such seals are found broken or removed.
- (h.) If a customer requests that an existing meter be moved to a new location the customer will be responsible for the costs of relocation.

#### 12. ACCURACY REQUIREMENTS OF WATER METERS:

- (a.) General-All meters used for measuring the quantity of water delivered to a customer shall be in good mechanical condition and shall be adequate in size and design for the type of service which they measure.
- (b.) Repaired Meters-All meters removed from service for repairs or test in accordance with this regulation, shall be tested as specified herein prior to being placed in service.
- (c.) Determination of Accuracy-Meters shall be tested at the minimum test flow and at least two test flows in the normal test flow limits, one of which shall be not less than 75% of the rated maximum capacity of the meter and the other shall be approximately 25% of the rated maximum capacity. No new meter shall be placed in service if it registers less than 95% of the water passed through it at the minimum test flow, or over registers or under registers more than 1.5% in the normal test flow limits. No repaired or reconditioned meter shall be placed in service if it registers less than 90% of the water passed through it at the minimum test flow or over registers or under registers more

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PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
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than 1.5% in the normal test flow limits.

- (d.) As Found Test-All meters tested in accordance with the rules for periodic, request or complaint tests, shall be tested in the condition as found in the customers service prior to any alteration or adjustment in order to determine the average meter error. This test shall consist type of meter and the average meter error shall be the algebraic of the errors of the two test.

### 13. WATER BILL ADJUSTMENT

If test results in a customers meter show an average error greater than two percent (2%) fast or slow, or if a customer has been incorrectly billed for any other reason, except in an instance where a Association has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a customer, the Association shall immediately determine the period during which the error has existed, and shall recompute and adjust the customers bill to either provide a refund to the customer or collect an additional amount of revenue from the under billed customer. The Association shall readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period shall be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for the customer. If the data is not available, the average usage of similar customer loads shall be used for comparison purposes in calculating the time period. If the customer and the Association are unable to agree on an estimate of the time period during which the error existed, the commission shall determine the issue. In all instances of customer over billing, the customer account shall be credited or the over billing, the customers account shall be credited or the overbilled amount refunded at the discretion of the customer within thirty (30) days after final meter test results. A association shall not require customer repayment of any underbilling to be made of a period shorter than a period coextensive with the underbilling.

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FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTHEASTERN PULASKI COUNTY  
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- (g.) The Association will not be bound by billing errors. All billing errors (both under and over billings) will be corrected and appropriate refunds, credits, or charges rendered on discovery of such error.
- (h.) The use of water by the same customer in different premises or localities will not be combined.
- (i.) If for any reason service is discontinued before the expiration of one (1) month from commencement of service, a bill for at least the minimum charge for one (1) month will be rendered.

#### 15. OWNERSHIP OF PROPERTY:

All pipe, fittings, equipment, meters or other appliances between the Associations distributing mains and the property line of the customer, and any meters and equipment appurtenant thereto that may be inside the customers property line, when installed at the expense of the association, shall at all times be and remain the property of the Association and may at any time during reasonable hours be removed by it upon the discontinuance of service.

#### 16. PUBLIC FIRE HYDRANTS AND POST HYDRANTS:

##### (a.) Application for hydrants

- (1.) Fire fighting organizations as organized under statues of the state of Kentucky or local regulations to include fire districts and volunteer fire departments may contract for fire hydrants or post hydrants from the Association. The Association retains the exclusive right to determine the

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location of any hydrants applied for and shall determine the type and size of any hydrant installation requested on the determination of the Associations engineer and within the guidelines as established by or changed by the Public Service Commission.

- (2.) The entire cost for labor, materials and other expenses incurred in installing the public fire hydrant connection, consisting of tapping the main and installing between the curb and property line, will be paid by the applicant and any work done by the Association in connection therewith will be at the expense and risk of the applicant.

(b.) Regulations governing hydrants

- (1.) No person, except for the legitimate purpose of extinguishing fires or for other purposes herein provided, shall open any fire hydrant without the consent of the Association.
- (2.) The uses of fire hydrants will be restricted to the taking of water for the extinguishing of fires, and water shall not be taken from any fire hydrants for construction purposes, sprinkling streets, flushing trenches, sewers or gutters, or for any other use, unless specifically permitted by the Association for the particular time and occasion.
- (3.) Inspections and test of public fire hydrants will be made by the Association at convenient times and reasonable intervals.
- (4.) Whenever a change in location, size, or type of fire hydrant is ordered, requested, or made necessary due to change in line or grade of an roadway, curb, said change will be made by the Association at the expense of the party ordering, requesting or making necessary such change.

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JAN 29 1996

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION



FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 24

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

### RULES AND REGULATIONS

#### 17. INTERRUPTIONS IN WATER SERVICE:

- (a.) The Association may at any time shut off the water in the mains in case of accident, or for the purpose of making connections, alternations, repairs, changes, or for other reasons, and may restrict the use of water to reserve a sufficient supply in its reservoirs for public fore service or other emergencies whenever the public welfare may require it. "Notice of scheduled interruptions will be given in accordance with 807 KAR 5: 066, Section 4(2).
- (b.) The temporary curtailment of water service may b e mandated by a shortage of water available to the association. Any curtailment of service will follow the guidelines of the Water Shortage Response Plan as of record with the Public Service Commission.

#### 18. LIABILITY OF ASSOCIATION

- (a.) The association shall not in any way or under any circumstances be held liable or responsible to any person or persons for any loss or damage from any excess or deficiency in the pressure, volume, or supply of water, due to any cause whatsoever. The Association will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the service, but it cannot and does not guarantee that such will not occur
- (b.) The Association will make every effort to maintain a pressure on the distribution system as required by regulation and it does not guarantee to furnish at all times any give quantity for fighting purposes.
- (c.) The Association shall not be responsible for accidents or damages to boilers, or water tanks, etc., resulting from the discontinuance of service nor by reason of the

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JAN 29 1996

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
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South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
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### RULES AND REGULATIONS

breaking of any main, water pipe, fixture or appliance whether owned by the Association or Customer , and no person shall be entitled to damages nor have any portion of a payment refunded for any interruption of service.

The Association will exercise every care in this matter, and in the event of the necessity of turning off water, every reasonable effort will be made to notify the customer.

- (d.) The Association shall not be considered in any manner an insurer of property of persons, or to have undertaken to extinguish fire or to protect any persons or property against loss or damage by fire, or otherwise. The Association agrees to furnish such supply of water as shall then be available and not other or greater, and it shall be free and exempt from any and all claims for reason of fire, water failure to supply water or pressure.

#### 19. GENERAL PROVISIONS:

- (a.) No person shall turn the water on or off at any street valve, corporation cock, curb cock, or other street connection or disconnect or remove any meter without the consent of the Association. Penalties provided by law for any such action will be rigidly pursued.
- (b.) No employee or agent of the Association shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter or intent of these Rules and Regulations.
- (c.) Any complaint against the service or employee of the Association should be made at the office of the Association and preferably in writing.

#### 20. APPROVAL OF THE RULE AND REGULATIONS:

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PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
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South Eastern Water Association

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### RULES AND REGULATIONS

All Rules and Regulations of the Association are subject to the approval of the Public Service Commission of the State of Kentucky, or its successor, and if any part thereof should be adjudged to be in violation of any rule or order made by the Commission, then that particular part shall be ineffective but without in any way affecting the other portions thereof.

#### 21. MONITORING OF CUSTOMERS USAGE:

At least once annually the Company will monitor the usage of each customer according to the following procedure:

- (a.) The customer's annual usage for the most recent 12-month period will be compared with the annual usage for the 12 months immediately preceding that period.
- (b.) If the annual usage for the two periods are substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather conditions, common to all customers, no further review will be done.
- (c.) If the annual usage differ by 15% percent or more and cannot by attributed to a readily identified common cause, the water Association will compare the customers monthly usage records for the 12 month period with the monthly usage for the same months for the preceding year.
- (d.) If the cause for the usage deviation cannot be determined from analysis of the customers meter reading and billing records, the water Association will contact the customer by telephone or in writing to determine whether there have been changes, such as different number of household customers or work staff, additional or different appliances, changes in business volume,

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JAN 09 1996

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR SOUTH EASTERN PULASKI COUNTY  
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South Eastern Water Association

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RULES AND REGULATIONS

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or known leaks in the customers service line.

- (e.) Where the deviation is not other wise explained, the water Association will test the customers meter to determine whether it shows an average error greater than 2% present fast or slow.
- (f.) The water association will notify the customer of the investigation, its findings, and any refunds or backbilling as a result in accordance with 807 KAR 5: 006, Section 10 (4) and (5).

In addition to annual monitoring, the water association will immediately investigate water usage deviations brought to its attention as a result of its on going meter reading or billing process or customers inquiry.

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PUBLIC SERVICE COMMISSION  
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TITLE

ADDRESS

JAN 19 1996

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

Form for filing Rate Schedules

For South Eastern, Pulaski Co  
Community, Town or City

P.S.C. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. 1

South Eastern Water Association  
Name of Issuing Corporation

CANCELLING P.S.C. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. 1

CLASSIFICATION OF SERVICE

	RATE PER UNIT
Bill are due on the 10th of each month 10 percent penalty added on the 12th	
PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE  FEB 04 1997 PURSUANT TO 807 KAR 5:011, SECTION 9(1) BY: <u>Jordan C. Neel</u> FOR THE PUBLIC SERVICE COMMISSION	

DATE OF ISSUE \_\_\_\_\_  
ISSUED BY Jordan C. Neel  
Name of Officer

DATE EFFECTIVE \_\_\_\_\_  
TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky  
in Case No. \_\_\_\_\_ dated \_\_\_\_\_

FOR SOUTH EASTERN PULASKI COUNTY  
P.S.C. KY. NO. 1  
ORIGINAL SHEET NO. 21

South Eastern Water Association

CANCELLING P.S.C. KY. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

### RULES AND REGULATIONS

14. TERMS AND CONDITIONS OF BILLING AND OF PAYMENT:

- (a.) Bills for water service by meters will be rendered monthly and ending at such dates as may be determined by the company.
- (b.) Special charges shall be payable upon demand as set out in tariffs.
- (c.) All bills for water service are due and payable at the office of the Association, and are considered delinquent if not paid within ( 10) days from the due date. Such bills are subject to a penalty of ten (10%) percent of the delinquent account. Failure to pay will render the customer subject to discontinuance of service and fees for reconnecting service. If any bill for water service is not paid within 25 days of mailing of bills, the service may be discontinued in accordance with Rule Discontinuance of Water Service. "The penalty will be assessed only once on any bill for service rendered" in accordance with 807 KAR 5:0006, Section 8 (3)(h).
7. (d.) Non-Payment for sixty days after original mailing date will allow the association, in addition to all other rights and remedies to purchase the member's membership, and in such event the member shall not be entitled to receive, nor the association obligated to supply in water.
- (e.) Customers are responsible for furnishing the Association with their correct addresses. Failure to receive bill will not be considered and excuse for non-payment nor permit an extension of the date when the account would be considered delinquent.
- (f.) All bills will be sent to the address entered in the application unless the Association is notified in writing by the customer of any change of address.

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PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR Southeastern Pulaski County

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Southeastern Water Association

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RULES AND REGULATIONS

WATER SHORTAGE RESPONSE PLAN

SOUTHEASTERN WATER ASSOCIATION, INC.

Section 1. Purpose: The purpose of this plan is to provide for the declaration of official phases of water supply shortages and the implementation of voluntary and mandatory water conservation measures throughout the Association, in the event a shortage is declared.

Section 2. Definitions: These terms are applicable only for this plan unless specifically noted.

- (a.) "Customer" shall mean any person or entity using water for any purpose from the Association's, water distribution system and for which either a regular charge is made at the site of delivery.
- (b.) "Raw Water Supplies" shall mean all water potentially available to persons in the Association.
- (c.) "Treated Water" shall mean water that has been introduced by the Association, into its water distribution system, including water offered for sale. Uses of treated water are classified as follows:

Essential Water Uses (Class 1):

The following uses of water, listed by site or user type, are essential.

Domestic:

water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.

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DATE EFFECTIVE \_\_\_\_\_ PURSUANT TO 807 KAR 50.11  
Month SECTION 9(1) Year

ISSUED BY \_\_\_\_\_  
Name of Officer Title Address

BY: Jordan C. Nash  
FOR THE PUBLIC SERVICE COMMISSION

FOR Southeastern Pulaski County

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## RULES AND REGULATIONS

### Health Care Facilities:

patient care and rehabilitation, including related  
filling and operation of swimming pools.

### Water Hauling:

sales of domestic use where not reasonably available  
elsewhere.

### Public Use:

firefighting, health and public protection purposes,  
if specifically approved by health officials.

### Socially or Economically Important Uses (Class 2)

The following uses of water, listed by site or user type,  
are socially or economically important.

#### Domestic:

personal, in-home water use including kitchen,  
bathroom and laundry.

#### Water Hauling:

non-domestic, when other sources are not reasonably  
available elsewhere.

#### Commercial and Civic Use:

commercial car and truck washes,

laundromats

restaurants, clubs and eating places

schools, churches, motels/hotels and similar  
commercial establishments.

#### Outdoor Non-Commercial Watering:

minimal watering of vegetable gardens,

minimal watering of trees where necessary to preserve  
them.

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Name of Officer

Title

BY: Jonathan L. Foster  
FOR THE PUBLIC SERVICE COMMISSION

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)



FOR Southeastern Pulaski County

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RULES AND REGULATIONS

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

the maintenance of livestock, except water may not be run or hauled to any open, earthen reservoir such as a pond, pool, or spring,

watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens

watering by commercial nurseries at a minimum level necessary to maintain stock,

watering at a minimum rate necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation,

watering of woody plants where necessary to preserve them,

minimal watering of golf course greens,

spraying of crops to control insects or other pests, or to apply growth regulators.

Recreational:

operation of municipal swimming pools and residential pools that serve more than 25 dwellings units.

Air Conditioning:

refilling for start up at the beginning of the cooling season,

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Title

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)  
BY: John G. Gail  
FOR THE PUBLIC SERVICE COMMISSION

FOR Southeastern Pulaski County

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### RULES AND REGULATIONS

makeup of water during the cooling season,

refilling specifically approved by health officials  
where the system has been drained for health  
protection or repair services.

#### Non-Essential Uses (Class 3):

Any waste of water, as defined herein, is non-essential.  
The following uses of water, listed by site or user type,  
are non-essential.

#### Public Use:

use of fire hydrants (excluding Class 1 and Class 2  
uses), including use of sprinklers, testing fire  
apparatus and fire department drills,

flushing of sewers and hydrants except as needed to  
ensure public health and safety as approved by health  
officials.

#### Commercial and Civic Use:

serving water in restaurants, clubs, or eating places,  
except by customers request,

failure to repair a controllable leak,

increasing water levels in scenic and recreational  
ponds and lakes, except for the minimum amount  
required to support fish and wildlife.

#### Ornamental Purposes:

fountains, reflecting pools and artificial waterfalls.

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DATE EFFECTIVE DEC 15 1994  
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Name of Officer

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BY: James S. Neal  
FOR THE PUBLIC SERVICE COMMISSION

PURSUANT TO 807 KAR 5011,  
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FOR Southeastern Pulaski County

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### RULES AND REGULATIONS

#### Outdoor Non-Commercial Watering:

use of water for dirt control or compaction,

watering of annual or non-woody plants, lawns, parks,  
golf course fairways, playing fields, and other  
recreational areas,

washing sidewalks, walkways, driveways, parking lots,  
tennis courts or other hard surface area,

washing down buildings or structures for purposes  
other than immediate fire protection,

flushing gutters or permitting water to run or  
accumulate in any gutter or street.

#### Outdoor Commercial or Public Watering:

expanding nursery facilities, placing new irrigated  
agricultural land in production or planting of  
landscaping except when required by a site design  
review process,

use of water for dirt control or compaction,

watering of lawns, parks, golf course fairways,  
playing fields and other recreational areas,

washing sidewalks, walkways, driveways, parking lots,  
tennis courts or other hard surface areas,

washing down buildings or structures for purpose other  
than immediate fire protection,

flushing gutters or permitting water to run or  
accumulate in any gutter or street.

Recreational uses other than those specified in Class **PUBLIC SERVICE COMMISSION**  
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Month Day Year

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Name of Officer

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BY: Address. Neil  
FOR THE PUBLIC SERVICE COMMISSION

PURSUANT TO 807 KAR 5.011,  
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Non-commercial washing of motor and other vehicles.

Air Conditioning (see also Class 2 purposes)

refilling cooling towers after draining.

(d.) "Base Entitlement" shall mean the monthly usage for a customer during the same month of the preceding calendar year or the average per customer usage for each class of service during the same month of the proceeding year.

(e.) "Curtailed Entitlement" shall mean the monthly usage for a customer after any curtailment percentage has been applied.

(f.) "Curtailment" shall mean the reduction in entitlement by some percentage to meet anticipated water shortages, based upon, but not limited to, type of customers, class of service, type of usage and phase of water shortage.

(g.) Water Shortage Response Phases:

"Advisory" shall mean that conditions exist which indicate the potential for serious raw or treated water supply shortages.

"Alert" shall mean the raw or treated water supplies are consistently below seasonal averages, and if they continue to decline, may not be adequate to meet normal needs.

"Emergency" shall mean that raw or treated water supplies are below the level necessary to meet normal needs and that serious shortages exist in the area.

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Name of Officer

Title

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)  
ADDRESS

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR Southeastern Pulaski County

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### RULES AND REGULATIONS

(h.) "Rationing" shall mean that procedures must be established to provide for the equitable distribution of critically-limited raw or treated water supplies, in order to balance demand and limited available supplies, and to assure that sufficient water is available to preserve public health and safety.

Section 3. Applicability. The provisions of this Plan shall apply to all retail and wholesale customers of the Association, when implemented, this Plan becomes the Southeastern Water Association's Water Shortage Response Regulation.

Section 4. Entitlements. Entitlements shall be established for each customer by adjusting the base entitlement to reflect any known change in usage pattern.

Section 5. Determination of Water Shortage. Water supply and usage shall be monitored on a continuous basis. Unrestricted demand shall be projected from past records and adjusted for changes such as new developments and weather conditions on a regular basis. Water shortages generally occur for two reasons, a reduction in available supplies or a system failure. Each of these has a distinct influence on the nature and duration of the conservation program implementation. Official declaration of a water shortage stage and implementation of the measures necessary to curtail water use shall be approved by the Board of Directors of the Southeastern Water Association.

Section 6. Term of Water Shortage Declaration. Any water shortage declaration shall remain in effect until water supplies or service conditions have returned to normal. A final determination as to terminating a water shortage declaration shall be made by the Board of Directors of the Southeastern Water Association.

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PURSUANT TO 807 KAR 5011,  
SECTION 9(1)  
BY: John C. Neal  
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FOR THE PUBLIC SERVICE COMMISSION

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### RULES AND REGULATIONS

#### Section 7. Water Shortage Stage, Criteria, Conservation and Curtailment Measures.

##### A. Advisory Stage:

(1.) Criteria: A water advisory shall be declared when the amount of treated water or raw water available for treatment is projected to be up to 10% below demand, or there are periods of low water pressure in one or more areas of the distribution system due to system failure or inadequacies or the State Division of Water issues a Water Shortage Watch which includes the areas from which the Association draws water.

##### (2.) Conservation and Curtailment Measures:

- (a.) Declare a Water Shortage Advisory.
- (b.) Provide proper notice to all customers and to all local news media.
- (c.) Eliminate all water leaks.
- (d.) Request voluntary conservation of all non-essential (Class 3) water use.

##### B. Alert Stage:

- (1.) Criteria: A water alert shall be declared when the amount of treated water available is projected to be up to 20% below demand, or raw water supplies are consistently below seasonal averages and if they continue to decline, may not be adequate to meet normal needs.

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ISSUED BY \_\_\_\_\_  
Name of Officer

Title

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

FOR Southeastern Pulaski County

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RULES AND REGULATIONS

(2.) Conservation and Curtailment Measures:

- (a.) Declare Water Shortage Alert.
- (b.) Provide proper notice to all customers and to all local news media.
- (c.) Eliminate all water leaks.
- (d.) Prohibit all non-essential (Class 3) water uses.

C. Emergency Stage:

(1.) Criteria: A Water Emergency shall be declared when the amount of treated water available is projected to be up to 40% below demand, or these are periods of no water in one or more areas of the distribution system due to low water supply or raw water supplies below the level necessary to meet normal needs.

(2.) Conservation and Curtailment Measures:

- (a.) Declare Water Shortage Emergency.
- (b.) Provide proper notice to all customers and to all local news media.
- (c.) Eliminate all water leaks.
- (d.) Prohibit all Class 3 uses of water.
- (e.) Prohibit all Class 2 uses of water except Domestic uses for kitchens, bathrooms, and laundries.
- (f.) Curtail Residential entitlements by the same percentage as the projected shortage.

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PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: [Signature]  
FOR THE PUBLIC SERVICE COMMISSION

FOR Southeastern Pulaski County

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RULES AND REGULATIONS

(g.) Curtail all commercial and industrial entitlements (except Health Care Facilities and the maintenance of livestock) by the same percentage as the projected shortage.

(h.) Discontinue the placing of new water services until the water shortage is abated.

(i.) Begin billing customers a drought surcharge of \$3.00 per thousand or portion thereof on all water used (both metered and bulk sales). Metered customers will be entitled to 2,000 gallons per month before applying the surcharge. This will be in addition to the regulator charge per thousand.

D. Rationing Stage:

(1.) Criteria: Treated water available is greater than 50% below demand or raw supplies are below the level necessary to meet essential needs, and in the opinion of the Board of Directors, mandatory rationing is required to insure adequate water is available to maintain public health and safety.

2. Conservation and Curtailment Measures:

(a.) Declare Water Shortage Rationing.

(b.) Provide proper notice to all customers of their individual allotment as well as notifying the general public by local news media.

(c.) Eliminate all water leaks.

(d.) Prohibit all Class 3 and Class 2 uses of water.

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PURSUANT TO 807 KAR 5.011,

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BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION



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RULES AND REGULATIONS

- (e.) Curtail all commercial and industrial entitlement (except Health Care Facilities and the maintenance of livestock) by the same percentage as the projected shortage.
- (f.) Curtail all residential entitlements be the same percentage as the projected shortage.
- (g.) Implement service interruptions to portions of system in accordance with approved published schedule. The schedule shall be provided to all local media.
- (h.) Discontinue the setting of new water services until the water shortage is abated.
- (i.) Close all public loading (bulk sales) stations.
- (j.) Institute an excess use charge to be applied to any water use above an individual allotment. The excess use charge shall be applied as follows:

<u>Excess Usage Per Month</u>	<u>Charge for Excess</u>
First 2,000 gallons or portion thereof	\$7.00 per 1,000 gallons \$15.00

Section 8. Enforcement of Water Restriction. Any person who violates the provisions of this Plan, who fails to carry out the duties and responsibilities imposed by this Plan, or who impedes or interferes with any action undertaken or ordered pursuant to this plan shall be subject to the following:

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DATE OF ISSUE \_\_\_\_\_  
Month Day Year

DATE EFFECTIVE DEC 15 1994  
Month Day Year

ISSUED BY \_\_\_\_\_  
Name of Officer

Title

BY: Andrews Neil  
FOR THE PUBLIC SERVICE COMMISSION

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

FOR Southeastern Pulaski County

P.S.C. Ky. No. \_\_\_\_\_

original Sheet No. 43

Southeastern Water Association

Cancelling P.S.C. Ky. No. \_\_\_\_\_

Sheet No. \_\_\_\_\_

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RULES AND REGULATIONS

---

- (a.) If the utility officials charged with implementation and enforcement of this Plan learns of any violation of any water use restriction imposed, a written notice of the violation shall be affixed to the property where the violation occurred and mailed to the customer of record. Said notice shall describe the violation and order that it be corrected, cured, or abated immediately or within 48 hours.
- (b.) The notice will reform the customer of his or her right to appeal by requesting a hearing before the utilities designee written forty eight (48) hours from the time of issuance of written notice. If a hearing is requested by the customer, he or she shall be given full opportunity to be heard with his or her counsel present at the appelle's own discretion before termination. The governing body shall make findings of fact and decide whether service should continue or terminate.
- (c.) Any customer whose water service is terminated for violating provisions of this water curtailment plan shall be subject to the approved reconnection fee prior to reconnection of service.
- (d.) The excess usage charge billing provisions of this Plan shall not be put in effect of a county or city ordinance containing penalty provisions is in effect to assist enforcement of this Plan.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DATE OF ISSUE \_\_\_\_\_  
Month Day Year

DATE EFFECTIVE DEC 15 1994  
Month Day Year

ISSUED BY \_\_\_\_\_  
Name of Officer

Title

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)  
BY: James S. Steel  
FOR THE PUBLIC SERVICE COMMISSION

FOR Southeastern Pulaski County

P.S.C. Ky. No. \_\_\_\_\_

original Sheet No. 44

Southeastern Water Association

Cancelling P.S.C. Ky. No. \_\_\_\_\_

Sheet No. \_\_\_\_\_

RULES AND REGULATIONS

Section 9. Request for Exception.

(a.) Exception to water use regulations. In compliance with any curtailment measure authorized herein would cause a customer to bear extraordinary hardship, that individual or entity may apply to the Association for an exception. For these purposes "extraordinary hardship" shall be defined as a condition which may threaten health and safety, or cause property or economic losses, each of which must be shown to be substantially more severe than the sacrifices borne by other users. If extraordinary hardship is found to exist, then an exception shall be granted and a written waiver to the customer. If an appeal is made, water service shall be continued until a decision is announced. Procedures for taking appeal shall be the same as those wherein violations are appealed and shall conform to all time and notice provisions of violations procedures. Any person aggrieved by the decision may file a complaint with the Public Service Commission.

(b.) Exception to curtailment surcharge: Exceptions to excess use charges shall not be considered or granted.

Section 10. Severability. If any provision of this Plan is declared invalid by the courts, the remainder of the Plan and its applicability to other persons and circumstances shall not be affected by that declaration.

Section 11. Effective Date. This Plan shall take effect immediately upon approval by the Public Service Commission.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DATE OF ISSUE \_\_\_\_\_  
Month Day Year

DATE EFFECTIVE DEC 15 1994  
Month Day Year  
PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

ISSUED BY \_\_\_\_\_  
Name of Officer

Title

BY: Judith C. Nail  
FOR THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

ARTICLES OF MERGER OF  
SOUTH EASTERN WATER ASSOCIATION, INC.  
AND  
BARNESBURG WATER ASSOCIATION, INC.

FEB 02 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

\*\* \*\*

JOSEPH E. BROWN III  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
*Joseph E. Brown III*

Nov 26 9 17 AM '96

RECEIVED & FILED

This is a Plan of Merger of South Eastern Water Association, Inc., a Kentucky non-profit corporation, and Barnesburg Water Association, Inc., a Kentucky non-profit corporation, prepared pursuant to the provisions of KRS 273.287. Barnesburg Water Association, Inc., is sometimes herein referred to as the "acquired corporation." South Eastern Water Association is sometimes hereinafter referred to as the "surviving corporation."

Neither the surviving corporation nor acquired corporation has members entitled to vote of the merger. The plan of merger as contained in these articles of merger were approved at a meeting of the board of directors of Barnesburg Water Association, Inc., held October 14, 1996 and the merger was approved by the Board of Directors of South Eastern Water Association, Inc., at a board of directors meeting held on October 14, 1996. The plan received the unanimous vote of the directors of both corporations in attendance at the meeting and a quorum of each board was present at the respective meetings.

A. THE PLAN OF MERGER:

1. Names: The names of the corporations proposing to be merged are South Eastern Water Association, Inc. and Barnesburg Water Association, Inc. Barnesburg Water Association, Inc., the acquired corporation, proposes to merge into South Eastern Water Association, Inc., the surviving corporation.

**B. TERMS AND CONDITIONS:**

FEB 02 1997

The terms and conditions of the proposed merger and the mode of carrying it into effect are as follows:

PURSUANT TO 807 KAR 50.11  
SECTION 9 (f)  
BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

1. The acquired corporation shall merge into the surviving corporation in a manner and with the effect provided by the statutes of Kentucky.
2. The merger shall be effective as of the date of filing of the Articles of Merger with the Kentucky Secretary of State.
3. On the effective date, the acquired corporation shall merge into the surviving corporation, the separate corporate existence of the acquired corporation shall cease, and South Eastern Water Association, Inc., shall continue as the surviving corporation. The address of the surviving corporation of the South Eastern Water Association, Inc., 147 East Somerset Church Road, Somerset, Kentucky 42503.
4. The surviving corporation shall assume all powers, rights, privileges and immunities granted or permitted by law, previously held and adopted by the acquired corporation and subject to the duties and liabilities of the corporation organized under the provisions of KRS Chapter 273.
5. The assets and liabilities of the acquired corporation shall be merge to the extent allowed by law, with the exception that outstanding obligations of the acquired corporation and the surviving corporation shall continue to be retired from such money and funds as shall be collected from the facilities operated by each such corporation in the original area served in accordance with the terms and provisions of KRS 74.361(5) as made applicable by KRS 74.361(9) and the authorizing resolution or indenture under which the outstanding obligations

were issued, until all of the obligations had been retired by payment, debt consolidation or reissuance.

6. The existing Board of Directors of South Eastern Water Association, Inc., along with two (2) directors of Barnesburg Water Association, Inc., being the president and vice president, shall serve on the board of the surviving corporation until such time as the annual election of directors to be held no more than two hundred (200) days from the filing of these articles. Thereafter, the number and term of the directors shall be governed by the provisions of Article VIII of the bylaws upon proper notice as indicated in the bylaws. The bylaws of South Eastern Water Association, Inc. shall be amended accordingly and said amended bylaws shall be the bylaws of the surviving corporation.

**C. BOARD OF DIRECTORS:**

Until the first annual election of the board of directors as specified herein, the following persons shall serve as directors:

Joe Richards, Sr., 3735 Rush Branch Road, Somerset, Kentucky 42501

Sam Davis, P. O. Box 320, Tateville, Kentucky 42558

Ernest Stout, 230 Stout Hill, Burnside, Kentucky 42519

Joe Richards, II, 401 Poleridge Road, Somerset, Kentucky 42503

Virgil C. Wallace, 2780 Rush Branch Road, Somerset, Kentucky 42503

Joe Crawford, 751 Stylesville Road, Science Hill, Kentucky 42553

Bobbie Crowe, 209 E. Coleman Road, Somerset, Kentucky 42503

Harvey Phelps, 1271 Old Mt. Vernon Road, Somerset, Kentucky 42503

Wade Bumgardner, 861 Old Mt. Vernon Road, Somerset, Kentucky 42503

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

FEB 02 1997

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

Done under our hands on this the 14 day of October, 1996.

**BARNESBURG WATER ASSOCIATION, INC.**

BY: Harvey Phelps  
Harvey Phelps, President

**SOUTH EASTERN WATER ASSOCIATION, INC.**

BY: Joe Richards  
Joe Richards, President

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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FEB 02 1997

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

## FIRST AMENDED BYLAWS

OF

SOUTH EASTERN WATER ASSOCIATION, INC.

FEB 02 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

\*\*\* \*\*

Comes now South Eastern Water Association, Inc., and does hereby make the following amendments to the by-laws of South Eastern Water Association, Inc. dated August 15, 1994. Except as specifically amended here, those prior Bylaws shall remain in full force and effect.

### ARTICLE VIII

#### DIRECTORS AND OFFICERS

Section 1. The Board of Directors of the Association shall consist of nine (9) members, all of whom shall be members of the Association and shall be elected to the Board of Directors and consist of two (2) members of the Elihu Rush Branch area, two (2) from the Tateville area, two (2) from the Nelson Valley area and two (2) from the Barnesburg area. The seat of the at large member whose term expires on the date of the annual meeting of the membership in 1999 will be eliminated as of that date and the number of directors shall be reduced to eight. Careful attention shall be given to keep this split of directors (unless none can be found to serve on the board).

Section 2. In order to provide for an orderly transition and continuity of representation of the areas served by this association, the terms of some directors shall be extended to allow for a staggering of terms of office of the current directors and their successors. The following shall serve as directors of the merged associations with their terms amended and extended to expire as follows:



FEB 02 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY Jordan C. Neel  
PUBLIC SERVICE COMMISSION

SEAT	CURRENT HOLDER	CURRENT TERM TO EXPIRE	AMENDED TERM TO EXPIRE	ELECTION
NELSON VALLEY I	JOE CRAWFORD	1999	2000	2003
NELSON VALLEY II	BOBBY CROWE	1999	1999	2002
ELIHU-RUSH BRANCH I	JOE RICHARDS	1997	1998	1998
ELIHU RUSH BRANCH II	JOE RICHARDS II	1997	2000	2003
TATEVILLE I	SAM DAVIS	1998	1999	2002
TATEVILLE II	ERNEST STOUT JR	1998	1998	2001
BARNESBURG I	HARVEY PHELPS	*	1998	2001
BARNESBURG II	WAIDE BUMGARDNER	*	1999	2002
AT LARGE	VIRGIL C. WALLACE	1999	2000	2003

Directors shall serve for a term of three (3) years after the initial terms as set forth herein.

Thereafter, at the annual meeting the membership, the members shall elect board members from the respective areas as set forth above, for three year terms as the terms of office of the board members expire.

Section 3. The Board of Directors shall meet within ten (10) days after the annual election of directors and shall elect by ballot a president, vice president and secretary, from among themselves, each of whom shall hold office until the next annual meeting and qualification

FEB 02 1997

of his/her successor unless sooner removed by death, resignation or for cause. The secretary  
shall be elected from the board of directors and hold office until he/she is removed by due process  
after having shown just cause or until his or her term has expired on the board.

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)  
BY: Jonathan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

Section 4. Special meetings of the Board of Directors may be called at any time by the President or by any two (2) directors, on not less than twenty-four (24) hours notice prior to the meeting. Notice of a special meeting of the board of directors shall be given by notifying all directors by phone or sending notice by mail. Any meeting at which all directors are present shall be legal without notice or waiver. Any director or officer may waive any notice required to be given under these by-laws in the presence of a director in person shall constitute waiver by him/her of notice of the directors meeting.

Section 5. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise by removal from office, a majority of the remaining directors though not less than a quorum shall, by a majority vote, choose a successor who shall hold office until the next annual meeting of the members of the association, at which time the members shall elect a director for the unexpired term or terms.

Section 6. The majority of the board shall constitute a quorum at any meeting of the board.

Section 7. Compensation of officers and directors may be fixed at a regular or special meeting of the board of directors.

Section 8. Directors may be removed from office in the following manner:  
Any member, officer or director may present charges against a director or officer by filing them in writing with the Secretary of the Association. If presented by a member, the charges must be

accompanied by a petition signed by ten (10) percent of the members of the association. Such removal shall be voted at the next regular meeting or special meeting and shall be effected if approval by a vote of a majority of the members. The director or officer against whom such charges have been presented shall be informed, in writing, of such charges five (5) days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him/her shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the association. A vacancy in the board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meetings. A vacancy in any office thus created shall be filled by the directors from among their members so constituted and the board has been filed.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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## ARTICLE X

### DUTIES OF OFFICERS

FEB 02 1997

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

Section 1. Duties of the President: The president shall

preside over all meetings of the association and the board of directors, call special meetings of the board of directors, perform all acts and duties usually performed by an executive and presiding officer and sign all papers of the association as he/she may be authorized or directed to sign by the board of directors, provided the board of directors may authorize any person to sign any and all checks, contract or other instruments in writing on behalf of the association. The president shall perform all other duties as may be prescribed by the Board of Directors. The president shall not vote on matters presented to the board except as in the event of a tie vote by the members of the board of directors.

Section 2. Duties of the Vice-President: In the absence or disability of the

PRESIDENT, the Vice President shall perform the duties of the President. Provided, however, that in case of death, resignation or disability of the president, the board of directors may declare the office vacant, and elect his/her successor.

FEB 02 1997  
PURSUANT TO 807 KAR 5011,  
SECTION 10.01  
BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

Section 3. Duties of the Secretary: The Secretary shall keep a complete

record of all meetings of the association and of the board of directors and shall have general charges and supervision of the books and records of the association. He/She shall sign all papers pertaining to the association as he/she may be authorized or directed to do so by the board of directors. He/She shall serve all notices required by law and these by-laws and shall make a full report of all matters and business pertaining to his/her office to the members at the annual meeting. He/She shall have access to the corporate seal and membership certificates, records of the association, and affix said corporate seal to all papers requiring seal. He/She shall have access to certificate record, showing the name of each member of the association and date of issuance, surrender, cancellation, or forfeiture. He/She shall make all reports required by law and shall perform such other duties as may be required of him/her by the association or the board of directors. Upon the expiration of his or her term he or she shall turn over to their successor all books and other property belonging to the association that he/she may have in his/her possession. He/She shall also perform such duties along with the manager of the association with respect to the finances of the association as may be prescribed by the board of directors. A secretary may be appointed by the board of directors in the absence of the elected secretary in order to conduct the business of the association.

Section 4. A manager shall be employed by the board of directors to conduct

FEB 02 1997

PURSUANT TO 807 KAR 5.011,

SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

all matters and business of the association and have the duties with respect to the finances of the association and serve as treasurer of the association as may be prescribed by the board of directors. He/She shall provide a fidelity bond in an amount equal to the largest sum of money in his/her possession at any one time, to be paid by the association. He/She shall be authorized to collect all debts owed to the association and sign any or all checks for expenditures of the association. Expenditures over \$150.00, other than normal operating expenses will have to be approved by the board of directors. HE/She shall be authorized to sign contracts and other instruments in writing on behalf of the association along with the president and secretary of the association. He/She shall have general charge and supervision of the books and records of the association along with the secretary of the association. He/She shall keep proper records of the corporation and shall make all reports required by law and shall perform such other duties as may be required by law and shall perform such other duties as may be required by these by-laws of the association or the board of directors of the association. He/She will be present at all meetings of the association and the board of directors and present the finance statements to the secretary and the board of directors of the association and any other records or reports required by the association or the board of directors.

Except as specifically amended herein, the by-laws as adopted by the directors of the South Eastern Water Association, Inc., dated August 15, 1994 shall remain in full force and effect.

IN WITNESS WHEREOF we, the board of directors have adopted these amended bylaws pursuant to the terms and conditions of the bylaws dated April 14, 1994 with this amendment to become effective as is provided therein Done under my hand as secretary of the

South Eastern Water Association, Inc. on this the 27 day of November, 1996.

Ernest Stout  
SECRETARY

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

FEB 02 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

For South Eastern, Pulaski Co.  
Community, Town or City

P.S.C. NO.

SHEET NO. 1

South Eastern Water Assn.  
Name of Issuing Corporation

CANCELLING P.S.C. NO.

SHEET NO. 1

## CLASSIFICATION OF SERVICE

**SOUTH EASTERN WATER ASSOCIATION**  
147 East Somerset Church Rd.  
Somerset, KY 42603  
808-678-6601

**PUBLIC SERVICE COMMISSION 1-800-772-4400**

**DUE BY THE 10TH OF EACH MONTH, 10% PENALTY ADDED ON THE 12TH.**

**ADDRESS CORRECTION REQUESTED**  
**SOUTH EASTERN WATER ASSOCIATION**  
147 Somerset Church Rd.  
Somerset, KY 42603  
606-878-3481

**ALL BILLS DUE AND PAYABLE BY 10TH OF EACH MONTH.**

**RATES AVAILABLE UPON REQUEST**

**MAIL TO :**

ACCOUNT		TO	
SERVICE AT			
TYPE	PRESENT	PREVIOUS	CHARGES
<div style="position: relative; width: 100%; height: 100%;"> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%) rotate(-45deg); font-size: 40px; opacity: 0.3;"> 1<sup>st</sup> PROOF </div> </div>			
CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE	

**RETURN THIS STUB WITH PAYMENT**

ACCOUNT	DUE DATE
SAVE THIS	AMOUNT DUE AFTER DUE DATE

**SOUTH EASTERN WATER ASSOCIATION**  
147 East Somerset Church Rd.  
Somerset, KY 42603

**OFFICE HOURS: 8:30-4:30**

**OFFICE NO. 878-6601**

**EMER. NO. 878-6501 AFTER 4:30**

**BILLING CODES**

BF - Balance Forward  
WA - Water  
TX - Tax  
UT - Solid Tax  
SC - Service Charge  
MC - Miscellaneous Charge

**PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE**

**FEB 04 1997**

**PURSUANT TO 807 KAR 5:011, SECTION 9 (1)**

**BY: Jordan C. Neal**  
**FOR THE PUBLIC SERVICE COMMISSION**

DATE OF ISSUE

ISSUED BY

Name of Officer

DATE EFFECTIVE

TITLE President

Issued by authority of an Order of the Public Service Commission of Kentucky  
in Case No.                      dated

**THIRD AMENDED BY-LAWS  
OF  
SOUTH EASTERN WATER ASSOCIATION, INC.**

RECEIVED  
JUN 04 1999  
PUBLIC SERVICE  
COMMISSION

Comes now Southeastern Water Association, Inc, and does hereby make the following amendment to the by-laws of the Southeastern Water Association, Inc., dated August 15, 1994 and amended by amendments dated November 27, 1996 and April 8, 1999. This amendment was approved at the Annual Meeting of the membership of the South Eastern Water Association, Inc. held April 12, 1999, as is noted in the minutes of that meeting.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

**ARTICLE VII**

JUL 04 1999

**VOTING**

**Section 6.** Each member shall be entitled to one (1) vote. Each candidate for director of the association shall notify the secretary of the corporation in writing at least sixty (60) days prior to the scheduled Annual Meeting of the membership to register as a candidate. Failure to notify the secretary in writing within the time period set forth above shall be cause for disqualification in the election at the Annual Meeting for directors.

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)  
BY: Stephen D. Bell  
SECRETARY OF THE COMMISSION

Proxy voting shall be allowed but, proxy votes may only be obtained from members after the candidate registers with the secretary of the corporation. Proxy votes shall be made only upon the forms provided by the secretary of the corporation to the candidate and shall be presented to the secretary at the time and place of the Annual Meeting.

Except as specially amended herein, the by-laws previously adopted as referred to above shall remain in full force and in effect.

**IN WITNESS WHEREOF**, we, the Board of Directors, have adopted this amended by-law pursuant to the terms and conditions of the by-laws dated April 14, 1994, as amended.



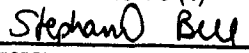
Done under my hand as Secretary of Southeastern Water Association, Inc., on this the  
\_\_\_\_ day of April, 1999.

  
\_\_\_\_\_  
SECRETARY

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 04 1999

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY:   
\_\_\_\_\_  
SECRETARY OF THE COMMISSION

RECEIVED

JUN 04 1999

PUBLIC SERVICE  
COMMISSION

**SECOND AMENDED BY-LAWS**

**OF**

**SOUTH EASTERN WATER ASSOCIATION, INC.**

Comes now South Eastern Water Association, Inc. and does hereby make the following amendment to the by-laws of the South Eastern Water Association, Inc., dated August 15, 1994 and amended by amendment dated November 27, 1996.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

**ARTICLE V**

JUL 04 1999

**MEMBERSHIP**

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

**Section I.** The holders of membership certificates of this association are its members. Any bonafide occupant or property owner of a dwelling, farm, or other property, including schools, churches, community and elementary organizations, and where otherwise necessary by contract with said organization, corporation, etc., having reasonable accessibility to the source of and who is in need of having water supplied for domestic, livestock, and other purposes from the water system operated by the association and who receives the approval of the board of directors may be admitted to membership upon subscribing for or otherwise acquiring a membership certificate and by signing such contracts for the purchase of water as may be provided and required by the association; provided that no person otherwise eligible shall be permitted to subscribe for or acquire a membership of the association if the capacity of the association's water system is exhausted by the needs of its existing members. The membership fee shall be \$10.00 (ten) dollars.

**Section II.** In case of the death of a member or if a member ceases to be eligible

to hold membership as provided in Section 1, or willfully fails to comply with these, by-laws and other requirements, or willfully obstructs the purpose and proper activities of the association, the association, through the board of directors, may elect to purchase his/her membership certificate and terminate his/her Membership upon tender to his/her or his/her heirs or legal representatives the membership fee of \$10.00 (ten) less any indebtedness then due from his/her to the association. Any member whose membership is so terminated for cause other than of ceasing to be eligible may appeal from the action of the board of directors to a vote of the members at the next regular meeting of the members or a special meeting of the members called for such purpose.

**IN WITNESS WHEREOF**, we, the Board of Directors, have adopted this amended by-law pursuant to the terms and conditions of the by-laws dated April 14, 1994, as amended with amendment become effective as provided therein.

Done under my hand as Secretary of South Eastern Water Association, Inc., on this the \_\_\_\_ day of April, 1999.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

*Ernest Stout Jr*  
\_\_\_\_\_  
SECRETARY

JUL 04 1999

PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: *Stephan D. Bell*  
\_\_\_\_\_  
SECRETARY OF THE COMMISSION

RECEIVED  
DEC 27 2002  
PUBLIC SERVICE  
COMMISSION

## **ARTICLE I GENERAL PURPOSES**

The purpose for which this association is formed, and the powers which it may exercise are set forth in the Articles of Incorporation of the Association.

## **ARTICLE 2 NAME AND LOCATION**

Section 2.1. The name of this association is SOUTHEASTERN WATER ASSOCIATION, INC.

Section 2.2. The principle office of this association shall be located in the city of Somerset, Pulaski County, Kentucky, but the association may maintain offices and places of business at such other places within the state as the board of directors may determine.

Section 2.3 The registered agent of the association is Joe Richards, I.

## **ARTICLE 3 SEAL**

Section 3.1. The seal of the association shall have inscribed thereon the name of the association, State of Kentucky, and corporate seal.

Section 3.2. The manager of the association shall have custody of the corporate seal and the secretary shall have access to the seal at all times.

Section 3.3 The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

## **ARTICLE 4 MEMBERSHIP**

SECTION 4.1. **Eligibility.** Any natural person, firm, association, corporation, or body politic or political subdivision or agency thereof (each hereinafter referred to as "person", "applicant," "him," or "her") residing in or owning or leasing real property in the service area of the South Eastern Water

Association, Inc. (hereinafter called the "Association") shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by him to receive water service from Association ; however, no person shall hold more than one voting membership in the Association. Provided, however, that membership shall not entitle a member to service unless the water distribution system of the association shall reasonably permit such connection and the member has paid all fees and done all things required by the association to obtain service.

SECTION 4.2. **Application for Membership.** The Application for membership shall provide the applicant shall agree to purchase water from the Association and be bound by and to comply with all provisions of the Association's Articles of Incorporation, Bylaws, and all rules, rate classifications, rate schedules, tariffs and regulations adopted by the Board of Directors pursuant thereto (the obligations embraced by such agreement being hereinafter called "membership obligations") and shall be made in writing on such forms as is provided therefor by the Association. The member shall further execute a water purchase contract, executed by the member on such form as is provided therefor by the Association. The membership application shall be accompanied by the membership fee provided for in Section 1.05, together with any meter deposit, and other deposits or fees as determined by the board. Provided, however, payment of the membership fee and meter fee shall entitle any member to service. Should the Association be unable to extend service to the member or the member's property, the member shall be entitled to a refund of any membership fee or meter fee paid at which time the membership rights shall terminate.

SECTION 5.3. **Membership Fee and Other Deposits or Fees.** The membership fee shall be set by the Board of Directors. Upon payment of membership fee and meter fee required, the applicant shall be eligible for membership and service.

#### SECTION 5.4 **Benefits and Duties of Members.**

1. Each member agrees to pay a tap-on-fee as set forth in tariffs. This fee will cover taping main line and running line fifty (50) feet or to the property line which ever is less. All over fifty (50) feet and any rock encountered will be paid for by the customer.

2. The association will install, maintain and operate a main distribution pipeline or lines from the source of the water supply and service lines from the main distribution pipeline or lines to the property lines of each member of the association, at which points, designated as delivery points, meters to be purchased installed, owned and maintained by the association shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the association to the property line of each member shall be paid by the association from the tap-on-fee. The association will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the association and to be installed on some portion of the service line owned by the association. The association shall have the sole and exclusive right to use such cut-off valve.

3. Each member shall be entitled to one service line from the association's water system, provided that the member shall be required to pay the cost of the meter hook up for each service line in excess of one. No new service line or change in an existing service line may be made which will interfere with an existing service line or the delivery of water therein. Each service line shall connect with the association's water system at the nearest available point provided that the association's water system shall be of sufficient capacity to permit the delivery of water through a service line at the place without interfering with the delivery of water through a prior service line. If the association's water system shall be inadequate to permit the delivery of water through a service line installed at such place without interfering with the delivery of water through a prior service line, then such service line shall be installed :

such place as may be designated by the association. Each member will be required to dig or have dug a ditch for the connection of the service line or lines from the property line of the member to his/her dwelling or other portion of his/her premises and will also be required to purchase and install the portion of the service line or lines from his/her property line to the place of use on his/her premises and to maintain such portion of such service line or lines which shall be owned by the member, at his/her own expense provided that the association may, if the board of directors so determine, purchase the pipe for and install such portion of such service line or lines, the cost of which will however, be paid by the individual members.

4. Each member shall be entitled to purchase from the association pursuant to such agreements as may from time to time be provided and required by the association, such water for domestic livestock and other purposes as a member may desire. Subject, however, to the provisions of these by-laws and to such rules and regulations as may be prescribed by the board of directors, each member shall be entitled to have delivered to him through a single service line only such water as may be necessary to supply the needs of the persons residing in a single dwelling and of the livestock owned by such persons and for such other purposes as needed. The water delivered through each service line shall be metered and the charges for such water shall be determined separately, irrespective of number of service lines owned by a member.

5. In the event the total water supply shall be insufficient to meet all the needs of the members or in the event there is a shortage of water, the association may pro-rate the water available among the various members on such basis as is deemed equitable by the board of directors, and may also, prescribe a schedule of hours covering use of water by particular members and require adherence to thereto or prohibit the use of water for other purposes; provided that if at any time the total water supply

shall be insufficient to meet all of the needs of all the members for domestic, livestock and other purposes, the association must first satisfy all the needs of the members for domestic purposes before supplying any water for other purposes.

6. The board of directors shall have the right in any calendar year to determine the flat minimum monthly rate to be charged each member for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is use by a member during any month, and the amount of additional charges, if any, for additional water which may be supplied the members, shall fix the date for payment of such charges and shall notify each member of the amount of such charges and the dates for the payment thereof. A member to be entitled to the delivery of water shall pay such charges at the office of the association at or prior to the dates fixed by the board of directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties subject to their filing and approval by the Kentucky Public Service Commission:

- A. Non-payment within ten (10) days from the due date will be subject to a penalty of ten (10) percent of the delinquent amount.
- B. Non-payment within twenty-five (25) days from the mailing date will result in the water being shut off from the member's property.
- C. Non-payment within sixty (60) days after the original mailing date will allow the association, in addition to all other rights and remedies, to purchase the member's membership minus any indebtedness and to terminate his/her membership, and in such event, the member shall not be entitled to receive, nor the association obligated to supply any water.



- D. In the event it becomes necessary for the association to shut off the water from the member's property, a fee will be charged for the re-connection of the service subject to approval of the Kentucky Public Service Commission.

7. The board of directors shall be authorized to require each member to enter into a water contract which shall embody the principles set forth in the foregoing sections of these articles.

8. Membership may be cancelled, membership fee may be forfeited to the association and/or water service discontinued by the association for any violation of any rule, regulation or conditions of service and especially for any of the following reasons:

- A. Misrepresentation in application as to the property or fixtures to be supplied or use to be made of water.
- B. Resale or giving away water.
- C. Waste or misuse of water due to improperly or imperfect service pipes and/or fixtures to keep the same in a suitable state of repair.
- D. Tampering with meter, meter seal, service or valves or permitting such tampering by others.
- E. Connections, cross-connections or permitting the same of any separate water supply to the premises which receives water from the corporation.

**SECTION 4.5. Service to Non-Members.** The Association shall render service to its members only; provided, however, that service may be rendered with Board approval upon the same terms and conditions as are applicable to members, to governmental agencies and political subdivisions.

**SECTION 4.6. Member to Grant Easement to Association** Each member shall, upon being requested to do so by the Association, execute and deliver to the Association grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Association shall require for the furnishing of water service to him or other members or for the construction, operation, maintenance or relocation of the Association's water distribution facilities. The Board of Directors may expel from membership and/or discontinue water service to any member who fails or refuses to comply with the provisions of this Bylaw.

## **ARTICLE 5 PROPERTY RIGHTS AND LIABILITIES OF MEMBERS**

**SECTION 5.1. Property Interest of Members.** Upon dissolution, of the Association, after all debts and liabilities of the Association shall have been paid; and, all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Association shall be distributed among the members eligible under law in the proportion which the aggregate patronage of each bears to the total patronage of all members, during the ten (10) years next preceding the date of the filing of the certificate of dissolution.

**SECTION 5.2. Non-Liability for Debts of the Association.** The private property of the members shall be exempt from either execution or other liability for the debts of the Association and no member shall be liable or responsible for any debts or liabilities of the Association.

## **ARTICLE 6 MEETING OF MEMBERS**

SECTION 6.1. **Annual Meeting.** The annual meeting of the members shall be held at 7:30 PM on the second Monday in April of each year at 147 East Somerset Church Road, Somerset, Kentucky. No written notice of the regular annual meeting shall be given.

SECTION 6.2. **Special Meetings.** A special meeting of the members may be called by the Board of Directors, by any majority of the Directors or by petition signed by not less than ten (10%) percent of the then-total members of the Association, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in Pulaski County as shall be designated by the Board of Directors, not sooner than thirty-five (35) days after the call for such meeting is made or a petition therefor is filed, and beginning at such hour as shall be assigned by him or those calling or petitioning for the same.

SECTION 6.3. **Notice of Member Meetings.** Written or printed notice of the place, date and hour of the special meeting and, the purpose or purposes of said meeting shall be delivered to each member not less than five (5) days nor, except as provided in Article VIII, more than forty five (45) days prior to the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary (or, in the case of a special meeting, at the direction of those calling the meeting). Any such notice delivered by mail may be included with member service billings. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with postage thereupon prepaid and postmarked at least five (5) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive a notice deposited in the mail addressed to the member at his address as shown on the Association's books shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a

member at any meeting unless such attendance shall be for the express purpose of objection to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 6.4. **Quorum.** The members present shall constitute a quorum for the transaction of business.

SECTION 6.5. **Voting.** Each member shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Association's Articles of Incorporation or these Bylaws.

SECTION 6.5A. **Proxies.** At any meeting of the members of any adjournment thereof, any member may vote by proxy, but only if such proxy (a) is registered with the Secretary or his duly designated registrar before or at the time of the meeting or any adjournment thereof, (b) is executed by the member in writing and designated the holder thereof, which holder shall be a member who is a natural person, and (c) specifies the particular meeting and/or any adjournment thereof at which it is to be voted and is dated not more than sixty (60) days prior to the date of such meeting or any adjournment thereof; PROVIDED, that any mailed proxies not otherwise dated shall be deemed dated as postmarked if postmark is satisfactorily evidenced; AND PROVIDED FURTHER, that any proxy valid at any meeting shall be valid at any adjournment thereof unless the proxy itself specifies otherwise or is subsequently revoked by another proxy or by the presence in person of the member at such adjournment. A proxy may be unlimited as to the matters on which it may be voted or it may be restricted; a proxy containing no restriction shall be deemed to be unlimited. In the event a member executes two or more proxies for the

same meeting or for any adjournment thereof, the most recently dated proxy shall revoke all others; if such proxies carry the same date and are held by different persons, none of them will be valid or recognized. The presence in person of a member at a meeting or any adjournment thereof shall revoke any proxy or mailed vote theretofore executed, or mailed by him for such meeting or for such adjournment thereof, as the case may be, and he shall be entitled to vote in the same manner and with the same effect as if he had not executed a proxy. Notwithstanding the foregoing provisions of this section, whenever a member is absent from a meeting of the members but whose spouse attends such meeting, such spouse shall be deemed to hold, and may exercise and vote, the proxy of such member to the same extent that such member could vote if present in person, unless such member has given a written proxy to some other person eligible to vote such proxy.

**SECTION 6.6. Credentials and Election Committee.** The Board of Directors shall consider before each annual or special meeting of members whether it is necessary to appoint a Credentials and Election Committee, if the Board deems it necessary, because of contested matters on the agenda or other good cause. The Board of Directors shall, at least ten (10) days before any meeting of the members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of Association members not less than three (3) nor more than five (5) who are not members of the Nominating Committee or existing Association employees, agents, officers, directors or known candidates for directors, and who are not close relatives or members of the same household thereof. In appointing the Committee, the Board shall have regard for the equitable representation of the several areas served by the Association. The Committee shall elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all questions that may arise

with respect to the registration of members in person, or by proxy or mailed vote, to count all ballots or other votes cast in any election or in any matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of directors (including but not limited to the validity of petitions of nomination or the qualifications of candidates and the regularity of the nomination and election of directors) and to pass upon any protest or objection filed with respect to any election or conduct affecting the results of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Association. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following adjournment of, the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision as re-Elected by a majority of those actually present and voting) on all matters covered by this Section shall be final.

SECTION 6.7. **Agenda.** No proposal from a member or group of members shall be voted upon at the Annual Meeting unless it has been placed on the agenda at least forty (40) days prior to the date of such meeting. Any legitimate proposal may be placed on the agenda by any member with a petition signed by two hundred (200) additional members supporting the proposal, by filing a copy of the pro-

posals with the Secretary within the time allowed, with a request that it be submitted to the Annual Meeting for consideration.

**SECTION 6.8. Order of Business.** The order of business at the Annual Meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

- (1) Report on the number of members present in order to determine the existence of a quorum;
- (2) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
- (3) Consideration of approval of minutes of previous meetings of the members and the taking of necessary action thereon;
- (4) Presentation and consideration of reports of officers, directors and committees;
- (5) Election of Directors; (or report on the election of directors);
- (6) Unfinished business;
- (7) New business as proposed with Section 3.07 Guidelines, and
- (8) Adjournment.

## **ARTICLE 7 DIRECTORS**

**SECTION 7.1. Number and General Powers.** The business and affairs of the Association shall be managed by a Board of eight (8) directors. The Board shall exercise all of the powers of the Association except such as are by law or by the Association's Articles of Incorporation or Bylaws conferred upon or reserved to the members. The board of directors, subject to the restriction of law, the articles of incorporation, or these by-laws shall exercise all of the power of the association, and without

prejudice to or limitation upon their general owners, it is hereby expressly provided that the board of directors shall have and hereby given, full power and authority in respect to the matters and as hereinafter set forth:

A. To pass upon the qualifications of members, and to cause to be issued appropriated certificates of membership.

B. To select and appoint all officers, agents, or employees of the association or remove such officers, agents or employees of the association for just cause, prescribed such duties and designate such powers as may not be inconsistent with these by-laws, fix compensation and pay for faithful services.

Expenditures over \$150.00, other than normal operating expense will have to be approved by the board of directors.

C. To borrow from any source, money, goods, or services, and to make and issue notes and other negotiable and transferable instruments and to do every act and thing necessary to effectuate the same.

D. To prescribe, adopt, and amend, from time to time, such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the association and the guidance and control of its officers and employees, and to prescribed adequate penalties for the breach thereof.

E. To order, at least once a year, an audit of the books and accounts of the association by a qualified auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the association at their annual meeting.

F. To fix the charges to be paid by each member for service rendered by the association to him/her, the time off payment and manner of collection.



G. To require all officers, agents and employees charges with responsibility of the custody of any of the funds of the association to give adequate bonds, the cost thereof to be paid by the association, and shall be mandatory upon the directors to so require.

H. To select one or more banks to act as depositories of the funds of the association and to determine the manner fo receiving, depositing, and disbursing of funds of the association and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

I. To require two signatures in all checks of the association.

**SECTION 7.2. Districts.** To insure the distribution of Board members throughout the area served by the Association, the territory served or to be served by it shall be divided into districts and all directors, who shall be members of the association, two of whom shall be from the area formerly served by the Elihu Rush Branch Water Association; two from the area formerly served by the Tateville Water Association; two from the area formerly served by the Nelson Valley Water Association and two from the area formerly served by the Barnesburg Water Association. A map of the areas represented shall be maintained in the offices of the Association to which reference is here by made. The terms of office of the Directors in effect and their termination date are as follows:

SEAT	CURRENT HOLDER	CURRENT TERM TO EXPIRE
NELSON VALLEY I	JOE CRAWFORD	April 2003
NELSON VALLEY II	BOBBY CROW	April 2005
ELIHU-RUSH BRANCH I	JOE RICHARDS	April 2004
ELIHU-RUSH BRANCH II	JOE RICHARDS II	April 2003
TATEVILLE I	SAM DAVIS	April 2003
TATEVILLE II	ERNEST STOUT JR	April 2004

BARNESBURG I	HARVEY PHELPS	April 2004
BARNESBURG II	WAIDE BUMGARDNER	April 2005

Not less than sixty (60) days before any meeting of the members at which Board members are to be elected, the Board shall review the composition of the seven districts, and if it finds the best interests of the Association and its members will be served thereby, shall reconstitute the districts forth with. Terms of office shall be four (4) years for each member of the Board of Directors.

**SECTION 7.3. Qualifications.** Any active member, in good standing, at the age of 18 years or older, shall be eligible to be a director; PROVIDED, however that no person shall be eligible to become or remain a director of the Association who is; (1) a current or retired employee of the Association, (2) a person who has been employed by the Association during the last five (5) years, (3) a close relative of an incumbent director or of an employee (including a retired employee) of the Association, unless the proposed employee is a an incumbent board member at the time of the adoption of these bylaws (4) a person who is in any way employed by or financially interested in the Association or a competing enterprise, or a business selling water or supplies to the Association, or a business primarily engaged in selling pipe or meters or gauges or other supplies customarily used in the installation and maintenance, Notwithstanding any of the foregoing provisions of this Section with regards to close relative relationships, no incumbent director shall lose eligibility to remain a director or to be reelected as a director if he becomes a close relative of another incumbent director or of a Association employee (including a retired employee) because of marriage to which he was not a party. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Credentials and Election Committee to

disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more directors have an interest adverse to that of the Association.

SECTION 7.4. **"Close Relative" Defined.** As used in these Bylaws, "close relative" means a person who, by blood or in-law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal who resides in the household of the board member.

SECTION 7.5. **Election-Tenure.** Board members shall be elected by ballot, by the members-at-large at the Annual Meeting of members, or at a special meeting thereof held for that purpose within the reasonable time thereafter. They shall serve for terms of four (4) years each, ending with the fourth annual meeting following the election, and until their successors shall have been elected, declared qualified and seated. The seating of a new director shall occur at the next regular scheduled meeting of the Board of Directors.

SECTION 7.6 **Nominations Committee.** It shall be the duty of the Board to appoint a committee on nominations consisting of not less than four (4) members who shall be selected so as to give equitable representations on the committee to the geographical areas served or to be served by the Association plus one at large member. No employee or member of the Board shall be appointed a member of such committee. A majority of the persons so designated shall constitute a quorum of the

committee to nominate Directors. The Secretary of the Association or the Association's Attorney shall convene the initial meeting of the Nominating Committee, and the Committee shall then select its own Chairman and thereafter. The Nominating Committee shall continue in office for a period of one (1) year or until its successor committee is selected by the Board office of the Association at least ninety (90) days before the annual meeting date, a list of nominees for Directors. One (1) person shall be nominated for each vacancy to be filled. No person other than an incumbent shall be nominated as a candidate for the Board of Directors unless that person is duly qualified and has presented a written request signed by not less than twenty (20) percent of the membership requesting that his or her name be placed in nomination. A petition nominating such person may be filed with the Secretary not later than the ninetieth (90th) day prior to the date of the Annual Meeting. Only one person can be nominated per petition. The Secretary shall post such nominations in the principal office of the Association.

**SECTION 7.7 Conduct of Elections.** A ballot shall be mailed to each member of the Association at least fifteen (15) days before the date of the Annual Meeting. The ballot shall list persons nominated for the office of Director as herein set out. Each member may vote for the Director or Directors of his choice by marking in the space provided thereon and shall return his ballot to the office of the Association in a self-addressed envelope provided for this purpose by the Association. All ballots so received shall be kept in sealed and locked containers. All ballots, to be valid, must be received at the principal office of the Association at Somerset, Kentucky, not later than the last working day prior to the Annual Meeting and shall be sealed in an envelope provided by the Association for that purpose. All ballots shall be delivered in the sealed envelopes to the election tellers, who shall be the Association's Accountants, unless other individuals are designated by the Board. Under the supervision of the Credentials and Election Committee, the election tellers shall count the same.

Each member of the Association shall be entitled to cast one (1) vote for each vacancy to be filled, however, cumulative voting shall not be permitted.

a The following ballots shall not be counted:

1. Unmarked ballots.
2. Ballots marked for more candidates than vacancies to be filled.
3. Ballots marked for more than one candidate for any one (1) vacancy.
4. Ballots other than the official ballot mailed.
5. Ballots arriving late.

The following ballots may be counted:

1. Ballots on which the mark is not in the place provided, but does show the intention of the voter.
2. Ballots on which there is an erasure or change of intention shown, but the Credentials and Election Committee is of the opinion that the ballot has not been tampered with. The Credentials and Election Committee shall certify the number of votes received by each candidate. A final report shall be delivered by the Chairman of the committee to the President of the Association's Board, who will announce the results at the Annual Meeting. The person nominated for Director in his district, receiving the highest number of votes as certified by the Credentials and Election Committee, is the person elected. If more than one person receives the same number of votes, the Credentials and Election Committee shall at a meeting at a time and place to be fixed by them, at which due notice shall be given to the nominees, cause the nominees or their representatives, or in the absence of a nominee or his representative, some person designated by the Credentials and Election Committee to draw for the office and the person drawing the slip marked "elected" shall be the person elected. Provided; however, that any candidate

from any district who has no opposing candidate, shall continue to serve until such time as an opposing candidate shall file for election at which time ballots shall be mailed as provided above.

**SECTION 7.8. Removal of Directors by Members.** Any member may bring one or more charges for cause against any one or more directors and may request the removal of such director(s) by reason thereof by filing with the Secretary such charges) in writing together with a petition signed by not less than ten (10%) percent of the then-total members of the Association, which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s) and, if one or more directors are recalled, to elect their successor(s), and which specifies the place, time and date thereof not sooner than twenty five (25) days after the filing of such petition or requests that the matter be acted upon at the subsequent annual member meeting will be held not sooner than twenty five (25) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he is billed by the Association and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than ten (10) days prior to the member meeting at which the matter will be acted upon; PROVIDED, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charges(s) against the same director(s). Such director(s) shall be informed twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have the opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such,

and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting, and any vacancy created without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor. PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents or otherwise. A newly elected director shall be from or with respect to the same Directorate District as was the director whose office he succeeds and shall serve the unexpired term of the removed director's term.

SECTION 7.9. **Vacancies.** Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified; PROVIDED, that such a director shall be from or with respect to the same Directorate District as was the director whose office was vacated.

SECTION 7.10. **Compensation; Expenses.** Directors shall, as determined by the Board of Directors, receive, on a per diem basis, a fixed fee, which may include insurance benefits, for attending meetings of the Board of Directors, and subject to approval of the Board of Directors, for the performance of other Association business, Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties. No director shall receive compensation for serving the Association in any other capacity, unless the service of such director is temporary and shall be specifically authorized by a vote of the

members upon their resolved determination that such was an emergency measure; PROVIDED, that a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Association in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

## **ARTICLE 8 RULES AND ACCOUNTING**

Section 8.1 **Rules, Regulations, Rate Schedules and Contracts.** The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Association's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulations of the business and affairs of the Association.

SECTION 8.2. **Accounting System and Reports.** The Board of Directors shall cause to be established and maintained a complete accounting system of the Association's financial operations and conditions, and shall, after the close of the fiscal year, cause to be made a full, complete and independent audit of the Associations accounts, books and records reflecting financial operations during, and financial conditions as of the end of, such year. The board may authorize special audits, complete or partial, and for any period of time.

## **ARTICLE 9 MEETINGS OF DIRECTORS**

SECTION 9.1. **Regular Meetings.** A regular meeting of the Board of Directors shall be held monthly at such date, time and place in one of the counties in Kentucky within which the Association serves as the Board shall provide by resolution. Such regular monthly meeting may be held without



notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require special notice; PROVIDED, that any director absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time or place. of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER, that, if a policy thereof is established by the Board, the President may change the date, time or place of a regular monthly meeting for good cause and upon not less than five (5) days' notice thereof to all directors.

**SECTION 9.2. Special Meetings.** A special meeting of the Board of Directors may be called by the Board of Directors, by the President or by any three (3) Directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the President, or the Directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties of Kentucky within which the Association serves, unless all Directors consent to its being held in some other place in Kentucky or elsewhere. Special meetings, upon proper notice as otherwise provided in Section 5.03, may also be held via telephone conference call, without regard to the actual location of the Directors at the time of such a telephone conference meeting, if all the Directors consent thereto.

**SECTION 9.3. Notice of Directors' Meetings.** Written notice of the date, time, place (or telephone conference call) and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board shall be delivered to each Director not less than two (2) days prior thereto, either personally, by mail or email, by or at the direction of the Secretary or, upon a default in this duty by the Secretary, by him or those calling it in the case of a special meeting or by any Director in the case of a meeting whose date, time and

place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Director at his address as it appears on the records of the Association, with first class postage thereon prepaid, and postmarked at least live (5) days prior to the meeting date. The attendance of a Director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

SECTION 9.4. **Quorum.** The presence in person of a majority of the Directors in office shall be required for the transaction of business and the affirmative votes of a majority of the Directors present and voting shall be required for any action to be taken; PROVIDED, that a Director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of Directors in office or present; AND PROVIDED FURTHER, that, if less than a quorum be present at a meeting, a majority of the Directors present may adjourn the meeting from time to time, but shall cause the absent Directors to be duly and timely notified of the date, time and place of such adjourned meeting.

## **ARTICLE 10 OFFICERS; MISCELLANEOUS**

SECTION 10.1. **Number and Title.** The officers of the Association shall be a President, Vice President, Secretary and Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

SECTION 10.2. **Election and Term of Office.** The four officers named in Section 6.01 shall be elected annually and without prior nomination, by and from the Board of Directors at the first meeting of

the Board held after the Annual Meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding Annual Meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of Directors and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

SECTION 10.3. **Removal.** Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Association will thereby be served.

SECTION 10.4. **Vacancies.** A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

SECTION 10.5. **President.** The President shall:

- (a) be the principal executive officer of the Board of Directors and shall preside at all meetings of the Board of Directors, and unless determined otherwise by the Board of Directors, at all meetings of the members;
- (b) sign, with the Secretary, deeds, mortgages, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed, and
- (c) in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 10.6. **Vice President.** In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 10.7. **Secretary.** The Secretary shall:

- (a) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law; .
- (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which, on behalf of the Association under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law;
- (d) have general charge of all the Association's books and records: and,
- (e) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 10.8. **Treasurer.** The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Association;
- (b) receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit or invest all such monies in the name of the Association in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and
- (c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

**SECTION 10.9. Delegation of Secretary's and Treasurer's Responsibilities.**

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer herein before provided in Sections 6.07 and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such duties to one or more agents, other officers or employees of the Association who are not directors. To the extent that the Board does so delegate with respect to any such officer, that officer as such shall be released from such duties, responsibilities and authorities.

**SECTION 10.10. General Manager** The Board of Directors may appoint a General Manager, who shall be the Chief Executive Officer and Chief Operating Officer of the Association and perform such duties as normally required and such additional duties as the Board of Directors may require. This officer is not required to be a member of the Association.

**SECTION 10.11. Bonds.** The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Association charged with responsibility for the custody of any of its funds for property to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Association to give bond in such amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Association.

**SECTION 10.12. Compensation; Indemnification of Officers, Directors, Staff Employees and Agents.**

The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding whether civil, criminal, administrative or

investigative (other than an action by, or in the right of, the Association) by reason of the fact that such person is or was a director, officer, staff employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, staff employee or agent of another Association, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including all costs of defense), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall nor of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

To the extent that a director, officer, staff employee or agent of the Association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraph 1, (and, in addition, actions by or in the right of, the Association) of any claim, issue or matter therein, such person shall be indemnified against expenses (including all costs of defense) actually and reasonably incurred by such person in connection therewith. The indemnity herein provided shall be co-extensive with those authorized under Kentucky Revised Statute Chapter 271 B and shall be effective in accordance with all of the terms and conditions of such statute. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, staff employee or agent of

the Association, or who is or was serving at the request of the Association as a director, officer staff employee or agent of another Association, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this Bylaw.

SECTION 10.13. **Reports.** The officers of the Association shall submit at each Annual Meeting of the members' reports covering the business of the Association for the previous fiscal year and showing the condition of the Association at the close of such fiscal year.

## **ARTICLE 10 NON-PROFIT OPERATION**

SECTION 11.1. **Interest of Dividends on Capital Prohibited.** The Association shall at all times be operated on a Association nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Association on any capital furnished by its patrons. (Deposits are not to be construed as Capital furnished for purpose of this Section).

SECTION 11.2. **Patronage Capital in Connection with Furnishing Water .** In the furnishing of water the Association's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Association. In order to induce patronage and to assure that the Association will operate on a non-profit basis, the Association is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of water in excess of operating costs and expenses properly chargeable against the furnishing of water. All such amounts in excess of operating costs and expenses at the moment of receipt by the Association are received with the understanding that they are furnished by the patrons as capital. The Association is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses.

The books and records of the Association shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron shall have the pursuance of a legal obligation to do so and the patron had then furnished the Association corresponding amounts for capital. All other amounts received by the Association from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Association, after all outstanding indebtedness of the Association shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members; PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Association in proportion to the amount of business done by such patrons during that period, insofar as is practicable, as determined by the Board of Directors before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Association will not be impaired thereby, the capital then credited to patron's accounts may be retired in full or in part. Any such retirements of capital shall be made as determined from time to time, by the Board of Directors.

Capital credited to the account of each patron shall be assignable only on the books of the Association pursuant to written instruction from the assignor and only to successors in interest or successors in



occupancy in all or a part of each patron's premises served by the Association, unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these Bylaws, the Board of Directors shall at its discretion have the power at any time upon the death of any patron who was a natural person (or, if as so provided for in the preceding paragraph, upon the death of an assignee of the capital credits of a patron, which assignee was a natural person), if the legal representatives of his estate shall request in writing that the capital so credited or assigned, as the case may be, be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon; PROVIDED, however, that the financial condition of the Association will not be impaired thereby.

The Association, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Association, (and may deduct interest thereon at the Kentucky legal rate on judgments in effect when such amount became overdue, compounded annually).

The patrons of the Association, by dealing with the Association, acknowledge that the terms and provisions of the Article of Incorporation and Bylaws shall constitute and be a contract between the Association and patron, and both the Association and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Association by posting in a conspicuous place in the Association's office.

**ARTICLE 12**  
**DISPOSITION AND PLEDGING OF PROPERTY;**  
**DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION**

#### **SECTION 12.1. Disposition and Pledging of Property.**

(1) Not inconsistently with Kentucky Revised Statutes, the Association may authorize the sale, lease, or other disposition of any of the Association's properties and assets only upon the affirmative votes of a majority of the directors of the Association.

**SECTION 12.2. Distribution of Surplus Assets on Dissolution.** Upon the Association's dissolution, any assets remaining after all liabilities or obligations of the Association have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors, be distributed without priority but on an equal basis among all persons who were active members on the last day at business of the Association. PROVIDED, HOWEVER, that if in the judgement of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

#### **ARTICLE 13 SEAL**

The Corporate seal of the Association shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal, Kentucky."

#### **ARTICLE 14 FINANCIAL TRANSACTIONS**

**SECTION 14.1. Contracts.** Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Association officer, agent or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 14.2. **Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness, issued in the name of the Association, shall be signed or countersigned by such officer, agent or employee of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 14.3. **Deposits, Investments.** All funds of the Association shall be deposited or invested from time to time to the credit of the Association in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

SECTION 14.4. **Fiscal Year.** The Association's fiscal year shall begin on the first day of the month of January of each year and end on the thirty-first day of December of the same year.

## **ARTICLE 15 WAIVER OF NOTICE**

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws.

## **ARTICLE 16 AMENDMENTS**

These Bylaws may be altered, amended or repealed by the Board of Directors at any regular or special Board Meeting; PROVIDED, that the notice of the meeting, shall have contained a copy of the proposed alteration, amendment or repeal or an accurate summary explanation thereof.

## **ARTICLE 17 RULES OF ORDER**


Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members of the Board of Directors which may from time to time be duly established shall be governed by the most recent edition

of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Association's Articles of Incorporation or Bylaws.

**ARTICLE 18**  
**GENDER**

Any inclusion in these Bylaws of the male pronouns, he or his, is fully intended to and shall, where applicable, be deemed to necessarily include and apply equally to the feminine gender pronouns, she or hers.

Adopted at the regular meeting of the board of directors on November 14, 2002.

  
Secretary

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